# HOUSE OF REPRESENTATIVES—*Tuesday, August 9, 1988*

The House met at 12 noon.

Dr. Reed M. Stewart, president, Wesley College, offered the following prayer:

Father God, we thank You for this moment of contemplation and renewal before turning to the momentous deliberations of our Congress. We thank You for leading us in the creation of the fundamental precepts of our American way of life. Through them we are joint heirs of all traditions of the past and joint partakers in the influences, resources, and powers of our present. May we continue to reappraise the individual worth of people—reconsidering their brotherhood and sisterhood, reevaluating their fundamental freedoms in acknowledgment that the great struggles of the world are not political conflicts alone, but struggles for the very souls of humankind.

And so guide these men and women that they may impart our magnificent inheritance to the generations that will follow. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate has passed without amendment a joint resolution of the House of the following title:

H.J. Res. 138. Joint resolution to authorize and request the President to issue a proclamation designating the third Sunday of August 1988 as "National Senior Citizens Day."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2472. An act to provide authorization of appropriations for activities of the National Telecommunications and Information Administration; and

H.R. 3361. An act to amend the Public Health Service Act to establish within the National Institutes of Health a National Institute on Deafness and Other Communication Disorders.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3361) "An act to amend the Public Health Service Act to establish within the National Institutes of Health a National Institute on Deafness and Other Communication Disorders," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. HARKIN, Mr. ADAMS, Mr. HATCH, and Mr. WEICKER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5015) "An act to provide drought assistance to agricultural producers, and for other purposes."

The message also announced that the Secretary inform the House of Representatives that the Senate is ready to receive the managers appointed by the House for the purpose of exhibiting articles of impeachment against Alcee L. Hastings, judge of the U.S. District Court for the Southern District of Florida, agreeably to the notice communicated to the Senate, and that at the hour of 2 p.m. on Tuesday, August 9, 1988, the Senate will receive the honorable managers on the part of the House of Representatives, in order that they may present and exhibit the said articles of impeachment against the said Alcee L. Hastings, judge of the U.S. District Court for the Southern District of Florida.

The message also announced that the Senate had passed a joint resolution of the following titles, in which the concurrence of the House is requested:

S.J. Res. 350. Joint resolution designating Labor Day Weekend, September 3-5, 1988, as "National Drive for Life Weekend."

## ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair announces that it is the Chair's intention to have only one 1-minute speech today, that by the gentleman from Delaware [Mr. CARPER].

## DR. REED MARTIN STEWART

(Mr. CARPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARPER. Mr. Speaker, the offerer of our prayer today is Dr. Reed Martin Stewart. Dr. Stewart serves as president of Wesley College, founded in 1873, and located in Dover, the capital city of Delaware. Delawareans refer to their State as a small wonder. I regard Wesley, a 4-year liberal arts college in affiliation with the United Methodist Church, to be a treasure within our small wonder.

In addition to being the 14th and the youngest president of Wesley College, Dr. Stewart, has served as the minister of several churches and as a former campus minister. He has also worked at the executive level in six colleges during the past two decades.

In his youth, Dr. Stewart was elected governor of the American Legion's Hoosier Boys' State in Indiana. The next year, 1958, he received national recognition when he became the American Legion national champion orator on the Constitution of the United States. During the 30 years that followed, he has continued to distinguish himself as a scholar, minister, educator, and popular public speaker.

This son of an Indiana judge is married to the former Beverly Holt of Missouri, and they have two children, Reed, Jr., a Wesley College senior, and Elaine Tyler Stewart, a junior at Dover High School.

We Delawareans are grateful for the many contributions the Stewart family has made in our State. It has been an honor for me to welcome my friend Reed Stewart today to offer the prayer as the House of Representatives begins its deliberations.

## TECHNICAL AMENDMENTS TO LAWS RELATING TO INDIAN EDUCATION

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be discharged from further consideration of the bill (H.R. 5174) to make clarifying, corrective, and conforming amendments to laws relating to Indian education, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. JEFFORDS. Mr. Speaker, reserving the right to object, I do so only for the purpose of allowing the gentleman from Michigan [Mr. KILDEE] to explain the contents of the bill for which he makes this unanimous-consent request.

Mr. KILDEE. Mr. Speaker, will the gentleman yield?

Mr. JEFFORDS. I am happy to yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, today I ask the House to expedite consideration of H.R. 5174, a bill making technical amendments to certain of the provisions in the recent passed Indian Education Amendments of 1988, (Public Law 100-297), only insofar as they relate to American Indians and Alaskan Natives. Originally, the plan was to consider these needed technical corrections as part of a larger package next spring. Unfortunately, since the Bureau of Indian Affairs schools and education programs are not forward funded, a need for quick action has arisen. The Bureau came to us to say that there were a number of areas that needed correction, clarification, or cleaning up or the Bureau would have a hard time running their program this fall.

The resulting package is technical, and is a consensus package. The Bureau did most of the drafting, with the Senate and outside groups keeping an eye on the process and agreeing with the results. It has no budget effects and does not cost any extra money.

Most of it is simply changing commas, changing terms to achieve consistency throughout the statute, substituting a date certain for the term "date of enactment" and making similar technical clarifications. In school board training, it recognizes the fact that the period for conducting this activity is almost over for this year and delays implementation for a year and reduces the maximum setaside. The amendments clarify which employees must elect under the recent pay provisions and to whom the furlough provisions apply. We also clarify what programs are to have the new administrative cost formula apply to them and that tribal options under the new grant system would not preclude rights under other Federal programs. Finally, the rules governing dispute resolution in the Public Law 93-638 contracting system are made applicable to the new grant process, to keep the Bureau from having to reinvent the wheel and confusing everyone in the field.

In addition, in response to a request from the Department of Education, we included some of their suggested revisions, all of which were of a purely technical nature.

I am submitting, along with my statement, a section-by-section analysis, which goes into detail on each little change.

This has been a joint effort, involving the administration, the outside groups and the schools themselves. This has been a textbook case in how Indian legislation should be written, with cooperation all around. I hope it will signal a new wave for the future.

I have been privileged to work with the gentleman from Vermont. This has been a bipartisan effort and the product reflects it. I am assured that if we can expedite its consideration today, it can be passed and signed before the Bureau starts its school programs in the third week in August.

SECTION-BY-SECTION ANALYSIS OF H.R. 5174—TECHNICAL AMENDMENTS TO THE INDIAN EDUCATION PROVISIONS OF PUBLIC LAW 100-297

(1) Sec. 1—Bureau funded schools—Technical corrections to assure consistent use of terms, proper citations, and the use of a date certain for describing the effective dates. An amendment clarifies that a school board of any Bureau-funded school may request expansion. The amendment also adds a definition of the term "Office" and deletes the provision in current law which would no longer be necessary.

(2) Sec. 2—Allotment formula—Clarifies that the minimum for the smallest schools under the formula refers to enrollment of students, thus making the provision consistent with the rest of the formula provisions (which deal with enrollments) and clarifies the provision relating to Maine. Also makes a technical correction to a term and citations.

(3) Sec. 3—Emergencies and Unforeseen Contingencies—Clarifies the provision in law dealing with the fund for emergencies or unforeseen contingencies, by putting a limit on the amount, clarifying that the money is to be available until expended, and stipulating that it must be used at a school site (a defined term).

(4) Sec. 4—Administrative Cost Grants—Clarifies the programs to which the new administrative cost formula factor is to apply. The intent was that the administrative cost formula only apply to education activities. Other tribal activities were to retain their current or negotiated rates or lump sums.

However, this intent was manifested by implication. The original House and Senate versions specifically made this new rate applicable to all programs sharing an administrative cost base, either by statute or by tribal election. Both of these provisions were deleted, with language in the Conference Report stipulating that this administrative cost formula was not to apply to other tribal programs (H. Report 100-567, page 400, note 16 & 17 & 19).

The amendment makes this intent clear and includes a statement to that effect. Also, it makes a technical correction to a term for consistency.

An amendment is also added to clarify that the administrative cost provisions of this section will apply to all schools operated under the Tribally Controlled Schools Act of 1988 (the "grant schools").

The amendment also addresses the issue of the need to begin to coordinate the operation of this formula and the indirect cost rates/amounts set by the Inspector General for other B.I.A. programs. This is done by making the Inspector General a participant in the studies required by the statute.

(5) Sec. 5—School board training—Relates to the amount of funds for school board training and expenses. Due to problems in the lateness in the year and the need to coordinate with the Appropriations cycle, this would delay implementation of this provision for one fiscal year.

Also, based upon the latest projections of the funds which would be generated and the needs, the amount of the setaside for school board expenses has been cut from 2% to 1%.

(6) Sec. 6—Coordinated programs—Technical changes to the provision dealing with cooperative schools, to clarify that these provisions are to apply to Bureau-operated schools, and that the minimum program level to be maintained is accreditation.

(7) Sec. 7—Consultation—A problem has arisen over the meaning of the phrase ". . . unless the Secretary determines, from information educed or presented during the discussions, that there is . . .". Does this mean that the information must have been presented at all meetings in a similar or even substantive fashion? For instance, on a national issue, a series of regional meetings could be held (may be preferable). What if an argument or information is brought forward by a participant at the 3rd of such regional meetings which could trigger this phrase. Must the Secretary then reconvene meetings #1 and #2 to share the argument/information, and if so, when would such a cycle stop?

The amendment makes clear that with respect to information or options raised by a non-B.I.A. participant, such a never-ending cycle is not contemplated. Note that for B.I.A. personnel, it is contemplated that they will have "done their homework" and will make the same presentation of facts at all meetings.

(8) Sec. 8—Personnel Studies—Clarifies the schools to be included in the Bureau study and makes a technical correction in a citation.

(9) Sec. 9—Compensation and Furloughs—The first subsection substitutes a date certain for descriptions (done throughout) for the convenience of those who will use the law.

(10) Sec. 9—Compensation and Furloughs—The rest of the section contains provisions dealing with the applicability of the new pay system and the furlough provisions.

With respect to the pay system, this clarifies that the need to make an election to have the new pay system apply pertains only to status quo employees and would mean that they would become contract employees. Contract educators are covered automatically. Also, allowing a status quo employee to bring over their current leave system entails some administrative problems. A clarification which both B.I.A. and Union agreed was needed was to make clear that leave will have to be used during the academic year or contract period.

With respect to furloughs, the amendment clarifies that the furlough provisions only apply to status quo employees (certainly the original intent). The amendment also clarifies that in making furlough determinations, funds set out for salaries (as opposed to supplies, etc.) are the funds to be considered. At the same time, to give the employees some notice on what this amount will be, Section 1129 is amended by adding the requirement of notice to the Union. The amendment also includes language to give some flexibility to the system, but still protects against favoritism or simply retaining all supervisory staff. The amendment also allows a limited exception to the furlough rule in certain situations where necessary for the school program, with school board approval.

PART B NEW TRIBAL GRANT AUTHORITY

(11) Sec. 10(a)—Grants—Some have interpreted Section 5204(a)(1)(B) as overriding the election provision with respect to currently contracted programs and have said that this means they must submit a sepa-

rate application for separate review. This is incorrect, but the alleged ambiguity could cause a delay. The amendment makes clear that this is not the intent and makes other technical changes which clarify the intent.

(12) Sec. 10(b)—Grants—Clarifies that retrocession by a tribe can either be to a contract under P.L. 93-638 (reimposing the additional oversight and monitoring) or to BIA operation (at tribal option), pursuant to P.L. 93-638 requirements on capability and/or agreed-upon remedial steps being undertaken. Also, the amendment clarifies that upon retrocession, materials purchased with these grants go to the new contractor or BIA.

The amendment also clarifies that the tribal governing body makes this decision (for consistency) and makes a correction in citation.

(13) Sec. 11—Eligibility for Grants—Technical amendments for sake of consistency and to clarify and replace "the Department of Education" with the "Department of the Interior" as the decision maker. Simply a mistake.

Also stipulates that hearings on actions under this section shall be on the record.

(14) Sec. 12—Duration of Eligibility—The amendment corrects four problems: clarifies that the Secretary of Education is to publish a list of acceptable accrediting agencies, but does not have to decide if there has been compliance; clarifies the choice of evaluator where the Tribe (not a tribal organization) is the direct contractor; the amendment would allow the Secretary and the grantee to mutually agree to amend the standards negotiated under the pre-existing contract and to have those standards apply during the grant; and finally, makes clear that the need to comply with P.L. 100-297 standards and reporting requirements applies to current contract schools which elect to have this Act apply, by adding a new subsection to this effect.

(15) Sec. 13—Payments of Grants—First, the amendment clarifies that the provision for making a payment where there is a total lack of data applies to previously non-Federally-funded schools. The amendment also addresses the concern of how the dual payments under the grants would be made if the fiscal year starts under a Continuing Resolution. There is no intent to authorize the Bureau to pay a percentage (statutory) of a percentage (Continuing Resolution). For instance, if the terms of the Continuing Resolution are that the Bureau is to make disbursements for a two-month period at a rate equal to, or not to exceed, 17% of the preceding year's expenditures, it would be inequitable to make the Bureau pay to grant schools 50% of the preceding year's amount (and would probably violate the terms of the Continuing Resolution). However, it would be just as inequitable (and in violation of the intent of this section) for the Bureau to interpret this provision to pay 50% of 17% to the grant schools, or only 8% for the same period. This would "hamstring" the schools to such an extent that some would not survive. If the Bureau is placed under a Continuing Resolution authority (an action over which it has little control), this provision allows it to supercede the normal rule, providing that as soon as final appropriations for the year are passed, payments are brought into line with the statutory requirements.

(16) Sec. 14—Application of Public Law 93-638—Relating to current contractors taking grants. The amendment clarifies the timeline for giving notice to the Secretary of an election to go from a current contract to a grant. The amendment adds a new subsection needed to clarify that when a current contractor goes grant, it may retain equipment, supplies, materials, leases of land or buildings, etc. [presumed in P.L. 100-297]. Furthermore, it allows current contractors to carry-over FY-1988, P.L. 93-638 funds into the grant [we took care of carryover between grant years, but not during the transition.] Also, it allows grantees to continue to contract with G.S.A. (e.g., for school buses). Finally, the amendment states that any disputes involving the audits which a school must submit under Section 5207 or any other issue involving the amount of the grant or payments (or the components of such computations) shall be handled and resolved under the rules of the Indian Self-Determination and Education Assistance Act of 1975, as amended.

AMENDMENTS TO THE INDIAN EDUCATION ACT OF 1988

(17) Sec. 15—Grants to Local Educational Agencies—Deletes a repetitive provision regarding the definition of eligible Indian child and makes conforming changes. It also clarifies that none of the maintenance-of-effort provisions apply to B.I.A.-run schools and that non-local educational agencies may still compete for the setaside.

(18) Sec. 16—Applications and Approval—Makes technical and grammatical changes, and clarifies that eligibility forms are to be maintained at the local level, deletes two unnecessary terms (included within definitions), and adds that the eligibility form must at least identify the child, a tribe through which affiliation is claimed, and the signature of a parent.

(19) Sec. 17—Payments—Corrects the language of the maintenance-of-effort language.

(20) Sec. 18—Improvement of Educational Opportunities—This was a provision in the House-passed (H.R. 5) version of the reauthorization of the Title IV, Indian Education Act program dealing with postsecondary programs to educate Indian education administrators and teachers. When the side-by-side of the Conference was done, this difference was not noted or made a point of difference, and since we ended up working from the Senate version of the Title IV part of the bill, we automatically dropped it. Also makes corrections to punctuation and a citation.

(21) Sec. 19—Fellowships—Corrects English and the Table of Contents.

(22) Sec. 20—Gifted and Talented—Corrects a citation and clarifies the meaning of the term "evaluator".

(23) Sec. 21—Office of Indian Education—Changes "Alaskan" to "Alaska".

(24) Sec. 22—N.A.C.I.E.—Deletes a comma.

(25) Sec. 23—Definitions—Clarifies that the tribe is to define membership. Also makes changes to the definition of local educational agency to correct citations and clarify the eligibility of B.I.A.-funded programs for the formula grant program under the Act.

OTHER PROGRAMS

(26) Sec. 24—Tribally Controlled Community Colleges—This amendment makes clear that the P.L. 100-297 directive to distribute funds in the same method as in FY-1987 (by electronic transfer) does not suspend the Bureau's responsibility to implement the 1983 amendments to the Tribally Controlled Community Colleges Act.

(27) Sec. 25—Use of Bureau Facilities—This amendment clarifes those groups to whom the Secretary may extend assistance and that the activities benefitted must benefit Indians or Federal programs. It also clarifies that such assistance does not waive Federal laws relating to liability.

(28) Sec. 26—White House Conference—This amendment clarifies that school board members shall be specifically included with those considered for participation in the White House Conference and makes several grammatical corrections.

(29) Sec. 27—Repeals an unnecessary study.

Mr. JEFFORDS. Mr. Speaker, further reserving the right to object, the amendments have been drafted with the help of the Bureau of Indian Affairs and the Department of Education. They are purely technical in nature, but are very necessary. All interested parties including the administration support these changes. They have no budgetary effects.

The technical amendments amend both the Bureau programs and the Department of Education programs. The Department of Education suggested all the amendments included in the bill pertaining to those programs.

I wish to thank the gentleman from Michigan [Mr. KILDEE] for working with me to draft this bipartisan bill and I withdraw my reservation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5174

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. BUREAU FUNDED SCHOOLS.

(a) FACTORS.—Section 1121(k)(1) of the Education Amendments of 1978 (25 U.S.C. 2001(k)(1)) is amended—

(1) in subparagraph (A)(i)—

(A) by striking out "has not previously received funds from the Bureau" and inserting in lieu thereof "is not a Bureau funded school";

(B) by striking out "Bureau school board" and inserting in lieu thereof "school board of any Bureau funded school";

(C) by striking out "has not previously been operated or funded by the Bureau" in subclause (I) and inserting in lieu thereof "is not a Bureau funded school"; and

(D) by striking out "any program currently funded by the Bureau" in subclause (II) and inserting in lieu thereof "a Bureau funded school"; and

(2) in subparagraph (B)(iii), by striking out "a Bureau operated program" and inserting in lieu thereof "a Bureau funded school".

(b) APPLICATION.—Section 1121(k)(6)(A) of the Education Amendments of 1978 (25 U.S.C. 2001(k)(6)(A)) is amended—

(1) by striking out "tribally controlled school" and inserting in lieu thereof "contract school"; and

(2) by striking out "the date of enactment of this Act" and inserting in lieu thereof "April 28, 1988,".

(c) DEFINITIONS.—(1) Section 1139 of the Education Amendments of 1978 (25 U.S.C. 2019) is amended—

(A) by redesignating paragraphs (10) through (12) as paragraphs (11) through (13), respectively; and

(B) by inserting after paragraph (9) the following new paragraph:

"(10) the term 'Office' means the Office of Indian Education Programs within the Bureau;".

(2) Section 1139(5) of the Education Amendments of 1978 (25 U.S.C. 2019) is amended—

(A) by striking out "1041(1)" and inserting in lieu thereof "104(a)"; and

(B) by striking out "450h(1)" and inserting in lieu thereof "450h(a)".

(3) Section 1126(a) of the Education Amendments of 1978 (25 U.S.C. 2006(a)) is amended by striking out "(hereinafter referred to as the 'Office')".

SEC. 2. ALLOTMENT FORMULA.

(a) FISCAL YEAR 1990.—Section 1128(c)(1)(B) of the Education Amendments of 1978 (25 U.S.C. 2008(c)(1)(B)) is amended by striking out "an average daily attendance of" and inserting in lieu thereof "an enrollment of".

(b) TECHNICAL AMENDMENTS.—(1) Clause (i) of section 1128(c)(4)(A) of the Education Amendments of 1978 (25 U.S.C. 2008(C)(4)(A)) is amended by striking out "Amendments" and inserting in lieu thereof "Act".

(2) Clause (iii) of section 5107(b)(1)(A) of the Indian Education Amendments of 1988 (20 U.S.C. 1411 note) is amended—

(A) by striking out "602(1)" and inserting in lieu thereof "602(a)(1)"; and

(B) by striking out 401(l) and inserting in lieu thereof "1401(a)(1)".

(c) CONTRACT SCHOOLS TREATED AS POLITICAL SUBDIVISIONS.—Section 1128(c)(5) of the Education Amendments of 1978 (25 U.S.C. 2008(c)(5)) is amended by striking out "schools oeprated by Indian tribes" and inserting in lieu thereof "contract schools".

SEC. 3. EMERGENCIES AND UNFORESEEN CONTINGENCIES.

Section 1128(D) of the Education Amendments of 1978 (25 U.S.C. 2008(d)) is amended to read as follows:

"(d) The Secretary shall reserve from the funds available for distribution for each fiscal year under this section an amount which, in the aggregate, shall equal 1 percent of the funds available for such purpose for that fiscal year. Such funds shall be used, at the discretion of the Director of the Office, to meet emergencies and unforeseen contingencies affecting the education programs funded under this section. Funds reserved under this subsection may only be expended for education services or programs at a schoolsite (as defined in section 5204(c)(2) of the Tribally Controlled Schools Act of 1988). Funds reserved under this subsection shall remain available without fiscal year limitation until expended. However, the aggregate amount available from all fiscal years may not exceed 1 percent of the current year funds. Whenever the Secretary shall report such action to the appropriate committees of Congress within the annual budget submission.".

SEC. 4. ADMINISTRATIVE COST GRANTS.

(a) AMOUNT OF GRANT; RATE APPLICABLE ONLY TO EDUCATIONAL ACTIVITIES.—Section 1128A(b)(1) of the Education Amendments of 1978 (25 U.S.C. 2008a(b)(1)) is amended—

(1) by striking out "to each of the direct cost education programs" and inserting in lieu thereof "to the aggregate of the Bureau elementary and secondary functions"; and

(2) by adding at the end thereof the following new sentence: "The administrative cost percentage rate determined under subsection (c) does not apply to other programs operated by the tribe or tribal organization.".

(b) SINGLE ADMINISTRATIVE COST ACCOUNT.—Subsection (d)(1)(A) of section 1128A of the Education Amendments of 1978 (25 U.S.C. 2008a) is amended by inserting "tribe or" before "contract school" each place it appears.

(c) STUDIES.—Subsection (f) of section 1128A of the Education Amendments of 1978 (25 U.S.C. 2008a) is amended—

(1) by redesignating paragraphs (3) through (6) as paragraph (4) through (7), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) In carrying out the studies required under this subsection, the Secretary shall obtain the input of, and afford an opportunity to participate to, the Inspector General of the Department of the Interior.".

(d) GRANT SCHOOLS.—Section 1128A of the Education Amendments of 1978 (25 U.S.C. 2008a) is amended by adding at the end thereof the following new subsection;

"(i) The provisions of this section shall also apply to those schools operating under the Tribally Controlled Schools Act of 1988.".

SEC. 5. SCHOOL BOARD TRAINING.

(a) EFFECTIVE DATE.—Paragraph (3) of section 1128(c) of the Education Amendments of 1978 (25 U.S.C. 2008(c)) is amended by adding at the end thereof the following new subparagraph:

"(D) This paragraph shall take effect on October 1, 1989.".

(b) Set-Aside Amount.—Clause (ii) of section 1128(c)(3)(C) of the Education Amendments of 1978 (25 U.S.C. 2008(c)(3)(C)) is amended by striking out "2 percent" and inserting in lieu thereof "1 percent".

SEC. 6. COORDINATED PROGRAMS.

Section 1129(f)(1) of the Education Amendments of 1978 (25 U.S.C. 2009(f)(1)) is amended—

(1) by striking out "a school" and inserting in lieu thereof "a Bureau school";

(2) by striking out "whose children are served by a program operated by the Bureau";

(3) by striking out "education programs operated by the Bureau" and inserting in lieu thereof "the school"; and

(4) in subparagraph (A), by striking out "if a facility operated by the bureau which is currently accredited by a State or regional accrediting entity would continue to be accredited" and inserting in lieu thereof "unless the Bureau school is currently accredited by a State or regional accrediting entity and would not continue to be so accredited".

SEC. 7. CONSULTATION.

Section 1130(b)(2) of the Education Amendments of 1978 (25 U.S.C. 2010(b)(2)) is amended by striking out "from information educed or presented during the discussions" and substituting in lieu thereof "from information educed or presented by the interested parties during one or more of the discussions and deliberations.".

SEC. 8. PERSONNEL STUDIES.

Section 5113 of the Indian Education Amendments of 1988 (25 U.S.C. 2011 note) is amended—

(1) in subsection (a)(2), by striking out "schools operated within the United States" and inserting in lieu thereof "elementary and secondary schools operated"; and

(2) in subsection (e), by striking out "11" and inserting in lieu thereof "XI".

SEC. 9. REGULAR COMPENSATION OF BUREAU EDUCATORS: NONVOLUNTARY FURLOUGHS.

(a) "COMPENSATION.—Section 1131(h)(1) of the Education Amendments of 1978 (25 U.S.C. 2011(h)(1)) is amended—

(1) in subparagraph (B), by striking out "the close of the 6-month period beginning on the date of enactment of the Indian Education Amendments of 1988" and inserting in lieu thereof "October 28, 1988";

(2) in subparagraph (c), by striking out "the close of the 6-month period described in subparagraph (B)" and inserting in lieu thereof "October 28, 1988";

(3) in subparagraph (C)(i), by striking out "the date of enactment of the Indian Education Amendments of 1988" and inserting in lieu thereof "April 28, 1988,";

(4) in subparagraph (E)(i), by striking out "any individual employed in an education position on the day before the date of enactment of the Indian Education Amendments of 1988 if this paragraph did not apply to such individual on such day" and inserting in lieu thereof "an educator who was employed in an education position on October 31, 1979, and who did not make the election under paragraph (2) of subsection (o)"; and

(5) in subparagraph (E)(iii), by inserting before the period ", except that the individual must use leave accrued during a contract period by the end of that contract period".

(b) APPLICATION.—Section 1131(o) of the Education Amendments of 1978 (25 U.S.C. 2011(o)) is amended—

(1) in paragraph (1)—

(A) by striking out "This section shall apply with respect to any individual hired after the effective date of subsection (a)(2) for employment in an education position" and inserting in lieu thereof "Subsections (a) through (n) of this section apply to an educator hired after November 1, 1979 (and to an educator who elected application under paragraph (2))"; and

(B) by striking out "any individual employed immediately before the effective date of subsection (a)(2)" and inserting in lieu thereof "an individual employed on October 31, 1979"; and

(2) in paragraph (2)—

(A) by striking out "position immediately before the effective date of subsection (a)(2) may, within five years of the date of enactment of this Act" and inserting in lieu thereof "position on October 31, 1979, may, not later than November 1, 1983"; and

(B) by inserting "of subsections (a) through (n)" after "provisions".

(c) FURLOUGHS.—Section 1131(p)(1) of the Education Amendments of 1978 (25 U.S.C. 2011(p)(1)) is amended—

(1) by striking out "No educator whose basic compensation is paid from funds allocated under section 1128 may be" and inserting in lieu thereof "An educator who was employed in an education position on October 31, 1979, who was eligible to make an election under paragraph (2) of subsection (o) at that time, and who did not make the election under paragraph (2) of subsection (o), may not be";

(2) in subparagraph (A), by striking out "a shortage of funds" and inserting in lieu thereof "an insufficient amount of funds available for personnel compensation at such school, as determined under the financial plan process as determined under section 1129(b) of this Act"; and

(3) by inserting before the period at the end of subparagraph (B) ", except that the supervisor, with the approval of the local school board (or of the agency superintendent for education upon appeal under paragraph (2)), may continue one or more educators in pay status if (i) they are needed to operate summer programs, attend summer training sessions, or participate in special activities including (but not limited to) curriculum development committees, and (ii) they are selected based upon their qualifications, after public notice of the minimum qualifications reasonably necessary and without discrimination as to supervisory, nonsupervisory, or other status of the educators who apply".

(d) FINANCIAL PLANS.—Section 1129 of the Education Amendments of 1978 (25 U.S.C. 2009) is amended by adding after the first sentence of subsection (b) the following new sentence: "The supervisor shall provide the appropriate union representative of the education employees with copies of proposed draft financial plans and all amendments or modifications thereto, at the same time they are submitted to the local school board.".

SEC. 10. GRANTS.

(a) IN GENERAL.—Section 5204(a)(1) of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2503(a)(1)) is amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"(A) operate contract schools under title XI of the Education Amendments of 1978 and notify the Secretary of their election to operate the schools with assistance under this part rather than continuing as contract schools;

"(B) operate other tribally controlled schools eligible for assistance under this part and submit applications (which are approved by their tribal governing bodies) to the Secretary for such grants; or

"(C) elect to assume operation of Bureau schools with assistance under this part and submit applications (which are approved by their tribal governing bodies) to the Secretary for such grants.".

(b) RETROCESSION.—Section 5204(f) of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2503(f)) is amended—

(1) by adding the following at the end thereof: "The tribe requesting retrocession shall specify whether the retrocession is to status as a Bureau school or as a contract school under title XI of the Education Amendments of 1978. Except as otherwise determined by the Secretary, the tribe or tribal organization operating the program to be retroceded must transfer to the Secretary (or to the tribe or tribal organization which will operate the program as a contract school) the existing equipment and materials which were acquired—

"(1) with assistance under this part, or

"(2) upon assumption of operation of the program under this part if it was a Bureau funded school under title XI of the Education Amendments of 1978 before receiving assistance under this part.";

(2) by striking out "tribe" each place it appears in the first sentence and inserting in lieu thereof "tribal governing body"; and

(3) by striking out "Indian" in the first sentence.

(c) COMPOSITION.—Section 5205(b)(3)(A)(i) of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2504(b)(3)(A)(i)) is amended by inserting "chapter 1 of" before "title I".

SEC. 11. ELIGIBILITY FOR GRANTS.

(a) IN GENERAL.—Subparagraphs (A) (B) of section 5206(a)(1) of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2505(a)(1)) are amended to read as follows:

"(A) was, on April 28, 1988, a contract school under title XI of the Education Amendments of 1978 and the tribe or tribal organization operating the school submits to the Secretary a written notice of election to receive a grant under this part,

"(B) was a Bureau school under title XI of the Education Amendments of 1978 and has met the requirements of subsection (b),".

(b) ADDITIONAL REQUIREMENTS FOR BUREAU-FUNDED SCHOOL.—Section 5206(b)(1) of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2505(b)(1)) is amended by striking out "Any school that was operated as a Bureau school on the date of enactment of this Act" and inserting in lieu thereof "A school that was a Bureau funded school under title XI of the Education Amendments of 1978 on April 28, 1988.".

(c) SCHOOLS WHICH ARE NOT BUREAU FUNDED.—Section 5206(c) of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2505(c)) is amended—

(1) by amending the subsection heading to read "ADDITIONAL REQUIREMENTS FOR A SCHOOL WHICH IS NOT A BUREAU FUNDED SCHOOL.—"; and

(2) in paragraph (1), by striking out "A school for which the Bureau has not provided funds" and inserting in lieu thereof "A school which is not a Bureau funded school under title XI of the Education Amendments of 1978".

(d) APPLICATIONS AND REPORTS.—Section 5206(d)(1) of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2505(d)(1)) is amended by striking out "the Department of Education" and inserting in lieu thereof "the Bureau of Indian Affairs".

(e) RECORD OF HEARINGS.—Section 5206(f)(1)(C) of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2505(f)(1)(C)) is amended by inserting "on the record" after "hearing".

SEC. 12. DURATION OF ELIGIBILITY DETERMINATION.

(a) ROLE OF SECRETARY OF EDUCATION.—Subclause (I) of section 5207(c)(1)(A)(ii) of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2506(c)(1)(A)(ii)) is amended by striking out "as determined by" and inserting in lieu thereof "as recognized by".

(b) REVOCATION.—Subclause (V) of section 5207(c)(1)(A)(ii) of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2506(c)(1)(A)(ii)) is amended—

(1) by striking out the last sentence and inserting in lieu thereof the following: "If the Secretary and a grantee other than the tribal governing body fail to agree on such an evaluator, the tribal governing body shall choose the evaluator or perform the evaluation. If the Secretary and a grantee which is the tribal governing body fail to agree on such an evaluator, this subclause shall not apply."; and

(2) by inserting "(or revisions of such standards agreed to by the Secretary and the grantee)" after "Education Assistance Act".

(c) APPLICATION.—Section 5207 of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2507) is amended by adding at the end thereof the following new subsection:

"(d) APPLICABILITY OF SECTION PURSUANT TO ELECTION UNDER SECTION 5209(b).—With respect to a tribally controlled school which receives assistance under this part pursuant to an election made under section 5209(b)—

"(1) subsection (b) of this section shall apply; and

"(2) the Secretary may not revoke eligibility for assistance under this part except in conformance with subsection (c) of this section.".

SEC. 13. PAYMENTS OF GRANTS.

(a) PAYMENT.—Paragraph (2) of section 5208(a) of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2507(a)) is amended by striking out "under this part" and inserting in lieu thereof "from Bureau funds".

(b) RESTRICTIONS.—Section 5208(a) of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2507(a)) is amended by adding the following new paragraph at the end thereof:

"(3) Paragraphs (1) and (2) of this subsection shall be subject to any restriction on amounts of payments under this part that may be imposed by a continuing resolution or other Act appropriating the funds involved.".

SEC. 14. APPLICATION WITH RESPECT TO INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT.

Section 5209 of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2508) is amended—

(1) in subsection (b) by adding at the end thereof the following:

"(3) In any case in which the 60-day period referred to in paragraph (2)(B) is less than 60 days before the beginning of the succeeding fiscal year, such election shall not take effect until the fiscal year after the fiscal year succeeding the election. For fiscal year 1989, the Secretary may waive this paragraph for elections received prior to September 30, 1988."; and

(2) by adding the following new subsections at the end thereof:

"(d) TRANSFERS AND CARRYOVERS.—

"(1) A tribe or tribal organization assuming the operation of a Bureau school with assistance under this part shall be entitled to the transfer or use of buildings, equipment, supplies, and materials to the same extent as if it were contracting under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

"(2) A tribe or tribal organization assuming the operation of a contract school with assistance under this part shall be entitled to the transfer or use of the buildings, equipment, supplies, and materials that were used in the operation of the contract school to the same extent as if it were contracting under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

"(3) Any tribe or tribal organization which assumes operation of a Bureau school with assistance under this part and any tribe or tribal organization which elects to operate a school with assistance under this part rather than to continue as a contract school shall be entitled to any funds which would carryover from the previous fiscal year as if such school were operated as a contract school.

"(e) EXCEPTIONS, PROBLEMS, AND DISPUTES.—Any exception or problem cited in an audit conducted pursuant to section 5207(b)(2) of this Act, any dispute regarding the amount of a grant under section 5205 (and the amount of any funds referred to in that section), any payments to be made under section 5208 of this Act, and any dispute involving the amount of, or payment of, the administrative grant under section 1128A of the Education Amendments of 1978 (25 U.S.C. 2008a) shall be handled under the provisions governing such exceptions, problems, or disputes in the case of contracts under the Indian Self-Determina-

tion and Education Assistance Act of 1975 (Public Law 93-658; 25 U.S.C. 450 et seq.).".

SEC. 15. GRANTS TO LOCAL EDUCATIONAL AGENCIES.

Section 5312 of the Indian Education Act of 1988 (25 U.S.C. 2602) is amended—

(1) by amending subsection (b)(1) to read as follows:

"(1) For any fiscal year for which appropriations are authorized under section 5316 of this Act, the Secretary shall determine the number of Indian children who were enrolled in the schools of each local educational agency that applies for a grant, and for whom such agency provided free public education, during such fiscal year.";

(2) in subsection (b)(2)(A), by striking all after "the product of—" and inserting in lieu thereof the following:

"(i) the number of Indian children determined under paragraph (1), multiplied by

"(ii) the average per pupil expenditure per local educational agency, as determined under subparagraph (C),

bears to the sum of such products for all such local educational agencies.";

(3) in the first sentence of subsection (b)(2)(B)—

(A) by striking out "eligible"; and

(B) by inserting "determined under paragraph (1)" after "children";

(4) in subsection (b)(3), by striking out "5315(c)(2)" and inserting in lieu thereof "5315(c)"; and

(5) in subsection (c)(1), by striking out "in accordance with the provisions of this subpart" and inserting in lieu thereof ", on a competitive basis,".

SEC. 16. APPLICATIONS FOR GRANTS; CONDITIONS FOR APPROVAL.

Section 5314 of the Indian Education Act of 1988 (25 U.S.C. 3604) is amended—

(1) in subsection (a)—

(A) by striking out "provided"; and

(B) by striking out "5312(b)" and inserting in lieu thereof "5312(c)";

(2) in subsection (b)(3), by inserting "," after "procedures" the first place it appears;

(3) in subsection (d)(1), by striking out "include a form" and inseting in lieu thereof "be supported by a form, maintained in the files of the applicant,";

(4) in subsection (d)(2)(A)(ii), by striking out "grandparents," and inserting in lieu thereof "grandparents";

(5) in subsection (d)(2)(B), by striking out "applicant" and inserting in lieu thereof "child";

(6) in subparagraphs (C) and (D) of subsection (d)(2), by striking out "or legal guardian" each place it appears;

(7) in subsection (d)(3)—

(A) by inserting "other" before "information"; and

(B) by inserting after the first sentence the following:

"In order for a child to be counted in computing the local educational agency's grant award, the eligibility form for the child must contain at least—

"(A) the child's name;

"(B) the name of the tribe, band, or other organized group of Indians; and

"(C) the parent's dated signature."; and

(8) in subsection (e)(1)—

(A) by striking out "education" in subparagraph (A) and inserting in lieu thereof "educational";

(B) by striking out "provide" in subparagraph (B) and inserting in lieu thereof "provided"; and

(C) by striking out "education" in subparagraph (C) and inserting in lieu thereof "educational".

SEC. 17. PAYMENTS.

Section 5315(c) of the Indian Education Act of 1988 (25 U.S.C. (2605(c)) is amended to read as follows:

"(c) REDUCTION FOR FAILURE TO MAINTAIN FISCAL EFFORT.—

"(1) The Secretary shall not pay to any local educational agency its full allotment under section 5312 for any fiscal year unless the State educational agency determines that the combined fiscal effort of that local agency and the State with respect to the provision of free public education by that local agency for the preceding fiscal year, computed on either a per student or aggregate expenditure basis, was at least 90 percent of such combined fiscal effort, computed on the same basis, for the second preceding fiscal year.

"(2) If the Secretary determines for any fiscal year that a local educational agency failed to maintain its expenditures at the 90 percent level required by paragraph (1), the Secretary shall—

"(A) reduce the allocation of funds to that agency in the exact proportion of that agency's failure to maintain its expenditures at that level, and

"(B) not use the reduced amount of the agency's expenditures for the preceding year to determine compliance with paragraph (1) in any succeeding fiscal year, but shall use the amount of expenditures that would have been required to comply with paragraph (1).

"(3) The Secretary may waive the requirements of this subsection for one fiscal year only if the Secretary determines that a waiver would be equitable due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the agency's financial resources. The Secretary shall not use the reduced amount of the agency's expenditures for the fiscal year preceding the fiscal year for which a waiver is granted to determine compliance with paragraph (1) in any succeeding fiscal year, but shall use the amount of expenditures that would have been required to comply with paragraph (1) in the absence of a waiver.".

SEC. 18. IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR INDIAN CHILDREN.

(a) TRAINING FOR THOSE SERVING INDIAN STUDENTS.—Section 5321(d) of the Indian Education Act of 1988 (25 U.S.C. 2621(d)) is amended by adding at the end thereof the following:

"(4) In making grants under this subsection, the Secretary shall consider prior performance and may not limit eligibility on the basis of the number of previous grants or the length of time for which the applicant has received grants.".

(b) TECHNICAL AMENDMENTS.—Subparagraphs (B) and (C) of section 5321(e)(1) of the Indian Education Act of 1988 (25 U.S.C. 2621(e)(1)) are each amended by striking out "upon request" and inserting in lieu thereof ", upon request,".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 5321(g)(1) of the Indian Education Act of 1988 (25 U.S.C. 2621(g)(1)) is amended by inserting ", other than subsection (e)(1)" after "this section".

SEC. 19. FELLOWSHIPS FOR INDIAN STUDENTS.

(a) TECHNICAL CORRECTION.—Section 5323(a) of the Indian Education Act of 1988 (25 U.S.C. 2623(a)) is amended by striking out "post baccalaureate" and inserting in lieu thereof "postbaccalaureate".

(b) TABLE OF CONTENTS.—The item relating to section 5323 in the table of contents contained in section 1(b) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (102 Stat. 139) is amended to read as follows:

"Sec. 5323. Fellowships for Indian Students.".

SEC. 20. GIFTED AND TALENTED.

(a) DEMONSTRATION PROJECTS.—Section 5324(b)(3)(C) of the Indian Education Act of 1988 (25 U.S.C. 2624(b)(3)(C)) is amended by striking out "subsection (d)" and inserting in lieu thereof "subsection (c)".

(b) ADDITIONAL GRANTS.—Section 5324(c) of the Indian Education Act of 1988 (25 U.S.C. 2624(c)) is amended—

(1) in paragraph (4)(B), by striking out "1128(c)(1)(A)(ii)" and inserting in lieu thereof "1128(c)(4)(A)(i)"; and

(2) in paragraph (7)(A), by striking out "evaluator" and inserting in lieu thereof "demonstration project recipients under subsection (b)".

SEC. 21. OFFICE OF INDIAN EDUCATION.

Section 5341(b)(2)(D) of the Indian Education Act of 1988 (25 U.S.C. 2641(b)(2)(D)) is amended by striking out "Alaskan" and inserting in lieu thereof "Alaska".

SEC. 22. NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION.

Section 5342(a)(1)(A) of the Indian Education Act of 1988 (25 U.S.C 2642(a)(1)(A)) is amended by striking out "Indians" and inserting in lieu thereof "Indians,".

SEC. 23. DEFINITIONS.

Section 5351 of the Indian Education Act of 1988 (25 U.S.C 2651) is amended—

(1) by amending paragraph (4)(A) to read as follows:

"(A) a member (as defined by an Indian tribe, band, or other organized group) of such Indian tribe, band, or other organized group of Indians, including those Indian tribes, bands, or groups terminated since 1940 and those recognized by the State in which they reside,";

(2) in paragraph (5)(A)—

(A) by striking out "The" and inserting in lieu thereof "Except as provided in subparagraph (B), the";

(B) by striking out "section 198(a)(10)" and inserting in lieu thereof "section 1471(12)"; and

(C) by striking out "(20 U.S.C. 2854(a)(10))" and inserting in lieu thereof "(20 U.S.C. 2891(12)"; and

(3) in paragraph 5(B)—

(A) by striking out "The term" and all that follows through "includes—" and inserting in lieu thereof the following: "For purposes of the formula grant of subpart 1 (except for sections 5314(b)(2)(B)(ii) and 5315(c)), the term 'local educational agency' includes—"; and

(B) by striking out "education" in clause (ii) and inserting in lieu thereof "educational".

SEC. 24. TRIBALLY CONTROLLED COMMUNITY COLLEGES.

Section 108 of the tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1808) is amended by adding at the end thereof the following:

"(c) Nothing in this section shall be construed as interfering with, or suspending the obligation of the Bureau for, the implementation of all legislative provisions enacted prior to April 28, 1988, specifically including those of Public Law 98-192.".

SEC. 25. USE OF BUREAU FACILITIES.

(a) IN GENERAL.—Section 5405(a) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improve-

ment Amendments of 1988 (25 U.S.C. 17(a)) is amended to read as follows:

"(a) IN GENERAL.—The Secretary of the Interior may permit tribal governments and organizations and student organizations to use Bureau of Indian Affairs equipment, land, buildings, and other structures if such use does not interfere with the purpose for which they are administered by the Bureau and when such use benefits Indians or Federal or federally funded programs. The Secretary may charge the user for the cost of the utilities and other expenses incurred for the use. The amounts collected shall be credited to the appropriation or fund from which the expenses are paid and shall be available until the end of the fiscal year following the fiscal year in which collected. The Secretary's decision to not permit a use under this section is final and shall not be subject to judicial review.".

(b) Section 5405 of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (25 U.S.C. 17) is further amended by adding at the end thereof the following new subsection:

"(c) The payment of any fee, or agreement to pay costs, to the Secretary shall not in any way or to any extent limit the right of the United States to rely upon sovereign immunity or any State or Federal statute limiting liability or damages from injuries sustained in connection with use under this section.".

SEC. 26. WHITE HOUSE CONFERENCE ON INDIAN EDUCATION.

(a) COMPOSITION.—Section 5503(a)(2) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (25 U.S.C. 2001 note) is amended by inserting "(including members of local school boards of schools funded by the Bureau of Indian Affairs)" after "Indian educational institutions".

(b) ADVISORY COMMITTEE.—Section 5506(d) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (25 U.S.C. 2001 note) is amended by striking out "traveltime" and inserting in lieu thereof "travel time".

(c) GIFTS.—Section 5507(a) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (25 U.S.C. 2001 note) is amended by striking out "Force," and inserting in lieu thereof "Force".

SEC. 27. REPEAL OF ANNUAL REPORT ON EDUCATION OF INDIAN CHILDREN.

Section 6210 of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (25 U.S.C. 2016a) is repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

## UNITED STATES-CANADA FREE-TRADE AGREEMENT IMPLEMENTATION ACT OF 1988

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to section 501(f) of Public Law 93-168, I move that the House resolve itself into the Committee of the Whole House of the State of the Union for the consideration of the bill (H.R. 5090) to implement the United States-Canada Free-Trade Agreement; and pending that motion, Mr. Speaker, I ask unanimous consent that the general debate be equally divided and controlled by the gentleman from Illinois [Mr. CRANE] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI].

The motion was agreed to.

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IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5090, with Mr. TRAXLER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

The text of the bill, H.R. 5090, is as follows:

H.R. 5090

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "United States-Canada Free-Trade Agreement Implementation Act of 1988".

(b) TABLE OF CONTENTS.—



SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to approve and implement the Free-Trade Agreement between the United States and Canada negotiated under the authority of section 102 of the Trade Act of 1974;

(2) to strengthen and develop economic relations between the United States and Canada for their mutual benefit;

(3) to establish a free-trade area between the two nations through the reduction and elimination of barriers to trade in goods and services and to investment; and

(4) to lay the foundation for further cooperation to expand and enhance the benefits of such Agreement.

TITLE I—APPROVAL OF UNITED STATES-CANADA FREE-TRADE AGREEMENT AND RELATIONSHIP OF AGREEMENT TO UNITED STATES LAW

SEC. 101. APPROVAL OF UNITED STATES-CANADA FREE-TRADE AGREEMENT.

(a) APPROVAL OF AGREEMENT AND STATEMENT OF ADMINISTRATIVE ACTION.—Pursuant to sections 102 and 151 of the Trade Act of 1974 (19 U.S.C. 2112 and 2191), the Congress approves—

(1) the United States-Canada Free-Trade Agreement (hereinafter in this Act referred to as the "Agreement") entered into on January 2, 1988, and submitted to the Congress on July 25, 1988;

(2) the letters exchanged between the Governments of the United States and Canada—

(A) dated January 2, 1988, relating to negotiations regarding articles 301 (Rules of Origin) and 401 (Tariff Elimination) of the Agreement, and

(B) dated January 2, 1988, relating to negotiations regarding article 2008 (Plywood Standards) of the Agreement; and

(3) the statement of administrative action proposed to implement the Agreement that was submitted to the Congress on July 25, 1988.

(b) CONDITIONS FOR ENTRY INTO FORCE OF THE AGREEMENT.—At such time as the President determines that Canada has taken measures necessary to comply with the obligations of the Agreement, the President is authorized to exchange notes with the Government of Canada providing for the entry into force, on or after January 1, 1989, of the Agreement with respect to the United States.

(c) REPORT ON CANADIAN PRACTICES.—Within 60 days after the date of the enactment of this Act (but not later than December 15, 1988), the United States Trade Representative shall submit to the Congress a report identifying, to the maximum extent practicable, major current Canadian practices (and the legal authority for such practices) that, in the opinion of the United States Trade Representative—

(1) are not in conformity with the Agreement; and

(2) require a change of Canadian law, regulation, policy, or practice to enable Canada to conform with its international obligations under the Agreement.

SEC. 102. RELATIONSHIP OF THE AGREEMENT TO UNITED STATES LAW.

(a) UNITED STATES LAWS TO PREVAIL IN CONFLICT.—No provision of the Agreement, nor the application of any such provision to any person or circumstance, which is in conflict with any law of the United States shall have effect.

(b) RELATIONSHIP OF AGREEMENT TO STATE AND LOCAL LAW.—

(1) The provisions of the Agreement prevail over—

(A) any conflicting State law; and

(B) any conflicting application of any State law to any person or circumstance;

to the extent of the conflict.

(2) Upon the enactment of this Act, the President shall, in accordance with section 306(c)(2)(A) of the Trade and Tariff Act of 1984 (19 U.S.C. 2114c), initiate consultations with the State governments on the implementation of the obligations of the United States under the Agreement. Such consultations shall be held—

(A) through the intergovernmental policy advisory committees on trade established under such section for the purpose of achieving conformity of State laws and practices with the Agreement; and

(B) with the individual States as necessary to deal with particular questions that may arise.

(3) The United States may bring an action challenging any provision of State law, or the application thereof to any person or circumstance, on the ground that the provision or application is inconsistent with the Agreement.

(4) For purposes of this subsection, the term "State law" includes—

(A) any law of a political subdivision of a State; and

(B) any State law regulating or taxing the business of insurance.

(c) EFFECT OF AGREEMENT WITH RESPECT TO PRIVATE REMEDIES.—No person other than the United States shall—

(1) have any cause of action or defense under the Agreement or by virtue of congressional approval thereof, or

(2) challenge, in any action brought under any provision of law, any action or inaction by any department, agency, or other instrumentality of the United States, any State, or any political subdivision of a State on the ground that such action or inaction is inconsistent with the Agreement.

(d) INITIAL IMPLEMENTING REGULATIONS.—Initial regulations necessary or appropriate to carry out the actions proposed in the statement of administrative action submitted under section 101(a)(3) to implement the Agreement shall, to the maximum extent feasible, be issued within 1 year after the date of entry into force of the Agreement. In the case of any implementing action that takes effect after the date of entry into force of the Agreement, initial regulations to carry out that action shall, to the maximum extent feasible, be issued within 1 year after such effective date.

(e) CHANGES IN STATUTES TO IMPLEMENT A REQUIREMENT, AMENDMENT, OR RECOMMENDATION.—The provisions of section 3(c) of the Trade Agreements Act of 1979 (19 U.S.C. 2504(c)) shall apply as if the Agreement were an agreement approved under section 2(a) of that Act whenever the President determines that it is necessary or appropriate to amend, repeal, or enact a statute of the United States in order to implement any requirement of, amendment to, or recommendation, finding or opinion under, the Agreement; but such provisions shall not apply to any bill to implement any such requirement, amendment, recommendation, finding, or opinion that is submitted to the Congress after the close of the 30th month after the month in which the Agreement enters into force.

SEC. 103. CONSULTATION AND LAY-OVER REQUIREMENTS FOR, AND EFFECTIVE DATE OF, PROCLAIMED ACTIONS.

(a) CONSULTATION AND LAY-OVER REQUIREMENTS.—If a provision of this Act provides that the implementation of an action by the President by proclamation is subject to the consultation and lay-over requirements of this section, such action may be proclaimed only if—

(1) the President has obtained advice regarding the proposed action from—

(A) the appropriate advisory committees established under section 135 of the Trade Act of 1974, and

(B) the United States International Trade Commission;

(2) the President has submitted a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that sets forth—

(A) the action proposed to be proclaimed and the reasons therefor, and

(B) the advice obtained under paragraph (1);

(3) a period of at least 60 calendar days that begins on the first day on which the President has met the requirements of paragraphs (1) and (2) with respect to such action has expired; and

(4) the President has consulted with such Committees regarding the proposed action during the period referred to in paragraph (3).

(b) EFFECTIVE DATE OF CERTAIN PROCLAIMED ACTIONS.—No action proclaimed by the President under the authority of this Act, if such action is not subject to the consultation and lay-over requirements under subsection (a), may take effect before the 15th day after the date on which the text of the proclamation is published in the Federal Register.

SEC. 104. HARMONIZED SYSTEM.

(a) DEFINITION.—As used in this Act, the term "Harmonized System" means the nomenclature system established under the International Convention on the Harmonized Commodity Description and Coding System (done at Brussels on June 14, 1983, and the protocol thereto, done at Brussels on June 24, 1986) as implemented under United States law.

(b) INTERIM APPLICATION OF TSUS.—The following apply if the International Convention, and the protocol thereto, referred to in subsection (a) are not implemented under United States law before the Agreement enters into force:

(1) The President, subject to subsection (c), shall proclaim such modifications to the Tariff Schedules of the United States (19 U.S.C. 1202) as may be necessary to give effect, until such time as such Convention and protocol are so implemented, to the rules of origin, schedule of rate reductions, and other provisions that would, but for the absence of such implementation, be proclaimed under the authority of this Act to, or in terms of, the Harmonized System to implement the obligations of the United States under the Agreement.

(2) Until such time as such Convention and protocol are so implemented, any reference in this Act to the nomenclature of such Convention and protocol shall be treated as a reference to the corresponding nomenclature of the Tariff Schedules of the United States as modified under paragraph (1).

(c) RESTRICTIONS.—

(1) No modification described in subsection (b)(1) that is to take effect concurrently with the entry into force of the Agreement may be proclaimed unless the text of the modification is published in the Federal Register at least 30 days before the date of entry into force.

(2) All modifications proclaimed under the authority of subsection (b)(1) after the Agreement enters into force with respect to the United States are subject to the consultation and lay-over requirements of section 103(a).

SEC. 105. IMPLEMENTING ACTIONS IN ANTICIPATION OF ENTRY INTO FORCE.

Subject to section 103 or 104(c), as appropriate, and any other applicable restriction or limitation in this Act on the proclaiming of actions or the issuing of regulations to carry out this Act or any amendment made by this Act, after the date of the enactment of this Act—

(1) the President may proclaim such actions; and

(2) other appropriate officers of the United States Government may issue such regulations;

as may be necessary to ensure that any provision of this Act, or amendment made by this Act, that takes effect on the date the Agreement enters into force is appropriately implemented on such date, but no such proclamation or regulation may have an effective date earlier than the date of entry into force.

## TITLE II—TARIFF MODIFICATIONS, RULES OF ORIGIN, USER FEES, DRAWBACK, ENFORCEMENT, AND OTHER CUSTOMS PROVISIONS

### SEC. 201. TARIFF MODIFICATIONS.

(a) TARIFF MODIFICATIONS SPECIFIED IN THE AGREEMENT.—The President may proclaim—

(1) such modifications or continuance of any existing duty;

(2) such continuance of existing duty-free or excise treatment; or

(3) such additional duties;

as the President determines to be necessary or appropriate to carry out article 401 of the Agreement and the schedule of duty reductions with respect to Canada set forth in Annexes 401.2 and 401.7 to the Agreement, as approved under section 101(a)(1). For purposes of proclaiming necessary modifications under such Annex 401.2, any article covered under subheading 9813.00.05 (contained in the United States Schedule in such Annex) shall, unless such article is a drawback eligible good under section 204(a), be treated as being subject to any otherwise applicable customs duty if the article, or merchandise incorporating such article, is exported to Canada.

(b) OTHER TARIFF MODIFICATIONS.—Subject to the consultation and lay-over requirements of section 103(a), the President may proclaim—

(1) such modifications as the United States and Canada may agree to regarding the staging of any duty treatment set forth in Annexes 401.2 and 401.7 of the Agreement;

(2) such modifications or continuance of any existing duty;

(3) such continuance of existing duty-free or excise treatment; or

(4) such additional duties;

as the President determines to be necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Canada provided for by the Agreement.

(c) MODIFICATIONS AFFECTING PLYWOOD.—

(1) The Congress encourages the President to facilitate the preparation, and the implementation with Canada, of common performance standards for the use of softwood plywood and other structural panels in construction applications in the United States and Canada.

(2) The President shall report to the Congress on the incorporation of common plywood performance standards into building codes in the United States and Canada and may implement the provisions of article 2008 of the Agreement when he determines that the necessary conditions have been met.

(3) Any tariff reduction undertaken pursuant to paragraph (2) shall be in equal annual increments ending January 1, 1998, unless those reductions commence after January 1, 1991.

### SEC. 202. RULES OF ORIGIN.

(a) IN GENERAL.—

(1) For purposes of implementing the tariff treatment contemplated under the Agreement, goods originate in the territory of a Party if—

(A) they are wholly obtained or produced in the territory of either Party or both Parties; or

(B) they—

(i) have been transformed in the territory of either Party or both Parties so as to be subject to a change in tariff classification as described in the Annex rules or to such other requirements as the Annex rules may provide when no change in tariff classifications occurs, and

(ii) meet the other conditions set out in the Annex.

(2) A good shall not be considered to originate in the territory of a party under paragraph (1)(B) merely by virtue of having undergone—

(A) simple packaging or, except as expressly provided by the Annex rules, combining operations;

(B) mere dilution with water or another substance that does not materially alter the characteristics of the good; or

(C) any process or work in respect of which it is established, or in respect of which the facts as ascertained clearly justify the presumption, that the sole object was to circumvent the provisions of chapter 3 of the Agreement.

(3) Accessories, spare parts, or tools delivered with any piece of equipment, machinery, apparatus, or vehicle that form part of its standard equipment shall be treated as having the same origin as that equipment, machinery, apparatus, or vehicle if the quantities and values of such accessories, spare parts, or tools are customary for the equipment, machinery, apparatus, or vehicle.

(b) TRANSSHIPMENT.—Goods exported from the territory of one Party originate in the territory of that Party only if—

(1) the goods meet the applicable requirements of subsection (a) and are shipped to the territory of the other Party without having entered the commerce of any third country;

(2) the goods, if shipped through the territory of a third country, do not undergo any operation other than unloading, reloading, or any operation necessary to transport them to the territory of the other Party or to preserve them in good condition; and

(3) the documents related to the exportation and shipment of the goods from the territory of a Party show the territory of the other Party as their final destination.

(c) INTERPRETATION.—In interpreting this section, the following apply:

(1) Whenever the processing or assembly of goods in the territory of either Party or both Parties results in one of the changes in tariff classification described in the Annex rules, such goods shall be considered to have been transformed in the territory of that Party and shall be treated as goods originating in the territory of that Party if—

(A) such processing or assembly occurs entirely within the territory of either Party or both Parties; and

(B) such goods have not subsequently undergone any processing or assembly outside the territories of the Parties that improves the goods in condition or advances them in value.

(2) Whenever the assembly of goods in the territory of a Party fails to result in a change of tariff classification because either—

(A) the goods were imported into the territory of the Party in an unassembled or a disassembled form and were classified as unassembled or disassembled goods pursuant to General Rule of Interpretation 2(a) of the Harmonized System; or

(B) the tariff subheading for the goods provides for both the goods themselves and their parts;

such goods shall not be treated as goods originating in the territory of a Party.

(3) Notwithstanding paragraph (2), goods described in that paragraph shall be considered to have been transformed in the territory of a Party and be treated as goods originating in the territory of the Party if—

(A) the value of materials originating in the territory of either Party or both Parties used or consumed in the production of the goods plus the direct cost of assembling the goods in the territory of either Party or both Parties constitute not less than 50 percent of the value of the goods when exported to the territory of the other Party; and

(B) the goods have not subsequent to assembly undergone processing or further assembly in a third country and they meet the requirements of subsection (b).

(4) The provisions of paragraph (3) shall not apply to goods of chapters 61-63 of the Harmonized System.

(5) In making the determination required by paragraph (3)(A) and in making the same or a similar determination when required by the Annex rules, where materials originating in the territory of either Party or both Parties and materials obtained or produced in a third country are used or consumed together in the production of goods in the territory of a Party, the value of materials originating in the territory of either Party or both Parties may be treated as such only to the extent that it is directly attributable to the goods under consideration.

(6) In applying the Annex rules, a specific rule shall take precedence over a more general rule.

(d) ANNEX RULES.—

(1) The President is authorized to proclaim, as a part of the Harmonized System, the rules set forth under the heading "Rules" in Annex 301.2 of the Agreement. For purposes of carrying out this paragraph—

(A) the phrase "headings 2207-2209" in paragraph 7 of section IV of such Annex 301.2 shall be treated as a reference to headings 2203-2209; and

(B) the phrase "any other heading" in paragraph 11 of section XV in such Annex 301.2 shall be treated as a reference to any other heading of chapter 74 of the Harmonized System.

(2) Subject to the consultation and lay-over requirements of section 103, the President is authorized to proclaim such modifications to the rules as may from time-to-time be agreed to by the United States and Canada.

(e) AUTOMOTIVE PRODUCTS.—

(1) The President is authorized to proclaim such modifications to the definition of Canadian articles (relating to the administration of the Automotive Products Trade Act of 1965) in the general notes of the Harmonized System as may be necessary to conform that definition with chapter 3 of the Agreement.

(2) For purposes of administering the value requirement (as defined in section 304(c)(3)) with respect to vehicles, the Secretary of the Treasury shall prescribe regulations governing the averaging of the value content of vehicles of the same class, or of sister vehicles, assembled in the same plant as an alternative to the calculation of the value content of each vehicle.

(f) DEFINITIONS.—For purposes of this section:

(1) The term "Annex" means—

(A) the interpretative guidelines set forth in subsection (c); and

(B) the Annex rules.

(2) The term "Annex rules" means the rules proclaimed under subsection (d).

(3) The term "direct cost of processing or direct cost of assembling" means the costs

directly incurred in, or that can reasonably be allocated to, the production of goods, including—

(A) the cost of all labor, including benefits and on-the-job training, labor provided in connection with supervision, quality control, shipping, receiving, storage, packaging, management at the location of the process or assembly, and other like labor, whether provided by employees or independent contractors;

(B) the cost of inspecting and testing the goods;

(C) the cost of energy, fuel, dies, molds, tooling, and the depreciation and maintenance of machinery and equipment, without regard to whether they originate within the territory of a Party;

(D) development, design, and engineering costs;

(E) rent, mortgage interest, depreciation on buildings, property insurance premiums, maintenance, taxes and the cost of utilities for real property used in the production of goods; and

(F) royalty, licensing, or other like payments for the right to the goods;

but not including—

(i) costs relating to the general expense of doing business, such as the cost of providing executive, financial, sales, advertising, marketing, accounting and legal services, and insurance;

(ii) brokerage charges relating to the importation and exportation of goods;

(iii) the costs for telephone, mail, and other means of communication;

(iv) packing costs for exporting the goods;

(v) royalty payments related to a licensing agreement to distribute or sell the goods;

(vi) rent, mortgage interest, depreciation on buildings, property insurance premiums, maintenance, taxes, and the cost of utilities for real property used by personnel charged with administrative functions; or

(vii) profit on the goods.

(4) The term "goods wholly obtained or produced in the territory of either Party or both Parties" means—

(A) mineral goods extracted in the territory of either Party or both Parties;

(B) goods harvested in the territory of either Party or both Parties;

(C) live animals born and raised in the territory of either Party or both Parties;

(D) goods (fish, shellfish, and other marine life) taken from the sea by vessels registered or recorded with a Party and flying its flag;

(E) goods produced on board factory ships from the goods referred to in subparagraph (D) provided such factory ships are registered or recorded with that Party and fly its flag;

(F) goods taken by a Party or a person of a Party from the seabed or beneath the seabed outside territorial waters, provided that Party has rights to exploit such seabed;

(G) goods taken from space, provided they are obtained by a Party or a person of a Party and not processed in a third country;

(H) waste and scrap derived from manufacturing operations and used goods, provided they were collected in the territory of either Party or both Parties and are fit only for the recovery of raw materials; and

(I) goods produced in the territory of either Party or both Parties exclusively from goods referred to in subparagraphs (A) to (H) inclusive or from their derivatives, at any stage of production.

(5) The term "materials" means goods, other than those included as part of the direct cost of processing or assembling, used or consumed in the production of other goods.

(6) The term "Party" means Canada or the United States.

(7) The term "territory" means—

(A) with respect to Canada, the territory to which its customs laws apply, including any areas beyond the territorial seas of Canada within which, in accordance with international law and its domestic laws, Canada may exercise rights with respect to the seabed and subsoil and their natural resources; and

(B) with respect to the United States—

(i) the customs territory of the United States, which includes the fifty states, the District of Columbia and the Commonwealth of Puerto Rico,

(ii) the foreign trade zones located in the United States, and the Commonwealth of Puerto Rico, and

(iii) any area beyond the territorial seas of the United States within which, in accordance with international law and its domestic laws, the United States may exercise rights with respect to the seabed and subsoil and their natural resources.

(8) The term "third country" means any country other than Canada or the United States or any territory not a part of the territory of either.

(9) The term "value of materials originating in the territory of either Party or both Parties" means the aggregate of—

(A) the price paid by the producer of an exported good for materials originating in the territory of either Party or both Parties or for materials imported from a third country used or consumed in the production of such originating materials; and

(B) when not included in that price, the following costs related thereto—

(i) freight, insurance, packing, and all other costs incurred in transporting any of the materials referred to in subparagraph (A) to the location of the producer;

(ii) duties, taxes, and brokerage fees on such materials paid in the territory of either Party or both Parties;

(iii) the cost of waste or spoilage resulting from the use or consumption of such materials, less the value of renewable scrap or byproduct; and

(iv) the value of goods and services relating to such materials determined in accordance with subparagraph 1(b) of article 8 of the Agreement on Implementation of article VII of the General Agreement on Tariffs and Trade.

(10) The term "value of the goods when exported to the territory of the other Party" means the aggregate of—

(A) the price paid by the producer for all materials, whether or not the materials originate in either Party or both Parties, and, when not included in the price paid for the materials, the costs related to—

(i) freight, insurance, packing, and all other costs incurred in transporting all materials to the location of the producer;

(ii) duties, taxes, and brokerage fees on all materials paid in the territory of either Party or both Parties;

(iii) the cost of waste or spoilage resulting from the use or consumption of such materials, less the value of renewable scrap or byproduct; and

(iv) the value of goods and services relating to all materials determined in accordance with subparagraph 1(b) of article 8 of the Agreement on Implementation of article VII of the General Agreement on Tariffs and Trade; and

(B) the direct cost of processing or the direct cost of assembling the goods.

(g) SPECIAL PROVISION REGARDING APPLICATION OF RULES OF ORIGIN TO CERTAIN APPAREL.—The Secretary of Commerce is authorized to issue regulations governing the exportation to Canada of apparel products that are cut, or knit to shape, and sewn, or otherwise assembled, in either Party from fabric produced or obtained in a third country for the purpose of establishing which exports of such products shall be permitted to claim preferential tariff treatment under the rules of origin of the Agreement, to the extent that the Agreement provides for quantitative limits on the availability of preferential tariff treatment for such products.

SEC. 203. CUSTOMS USER FEES.

Section 13031(b) of the Consolidated Omnibus Reconciliation Act of 1985 (19 U.S.C. 58c(b)) is amended by adding at the end thereof the following new paragraph:

"(10) The fee charged under subsection (a)(10) of this section with respect to goods of Canadian origin (as determined under section 202 of the United States-Canada Free-Trade Agreement Implementation Act of 1988) shall be in accordance with article 403 of the United States-Canada Free-Trade Agreement. Any service for which an exemption from such fee is provided by reason of this paragraph may not be funded with money contained in the Customs User Fee Account.".

SEC. 204. DRAWBACK.

(a) DEFINITION.—For purposes of this section, the term "drawback eligible goods" means—

(1) goods provided for under paragraph 8 of article 404 of the Agreement;

(2) goods provided for under paragraphs 4 and 5 of such article; and

(3) goods other than those referred to in paragraphs (1) and (2) that the United States and Canada agree are not subject to paragraphs 1, 2, and 3 of such article.

No drawback may be paid with respect to countervailing duties or antidumping duties imposed on drawback eligible goods.

(b) IMPLEMENTATION OF ARTICLE 404.—The President is authorized—

(1) to proclaim the identity, in accordance with the nomenclature of the Harmonized System, of goods referred to in subsection (a)(1); and

(2) subject to the consultation and layover requirements of section 103(a), to proclaim—

(A) the identity, in accordance with the nomenclature of the Harmonized System, of goods referred to in subsection (a)(3); and

(B) a delay in the taking effect of article 404 of the Agreement to a date later than January 1, 1994, with respect to any merchandise if the United States and Canada agree to the delay under paragraph 7 of such article.

(c) CONSEQUENTIAL AMENDMENTS.—

(1) BONDED MANUFACTURING WAREHOUSES.—Section 311 of the Tariff Act of 1930 (19 U.S.C. 1311) is amended by adding at the end thereof the following new paragraph:

"No article manufactured in a bonded warehouse, except to the extent that such article is made from an article that is a drawback eligible good under section 204(a) of the United States-Canada Free-Trade Agreement Implementation Act of 1988, may be withdrawn from such warehouse for exportation to Canada on or after January 1, 1994, or such later date as may be proclaimed by the President under section 204(b)(2)(B) of such Act of 1988, without payment of a duty on such imported mer-

chandise in its condition, and at the rate of duty in effect, at the time of importation.".

(2) BONDED SMELTING AND REFINING WAREHOUSES.—Section 312 of the Tariff Act of 1930 (19 U.S.C. 1312) is further amended—

(A) by inserting after "exportation" in each of paragraphs (1) and (4) of subsection (b) the following: "(other than exportation to Canada on or after January 1, 1994, or such later date as may be proclaimed by the President under section 204(b)(2)(B) of the United States-Canada Free-Trade Agreement Implementation Act of 1988, except to the extent that the metal-bearing materials were of Canadian origin as determined in accordance with section 202 of such Act of 1988)"; and

(B) by inserting after "exportation" in subsection (d) the following: "(other than exportation to Canada on or after January 1, 1994, or such later date as may be proclaimed by the President under section 204(b)(2)(B) of the United States-Canada Free-Trade Agreement Implementation Act of 1988, except to the extent that the product is a drawback eligible good under section 204(a) of such Act of 1988)".

(3) DRAWBACK.—Section 313 of the Tariff Act of 1930 (19 U.S.C. 1313) is amended by adding at the end thereof the following new subsections:

"(n) For purposes of subsections (a), (b), (f), (h), and (j)(2), the shipment on or after January 1, 1994, or such later date as may be proclaimed by the President under section 204(b)(2)(B) of the United States-Canada Free-Trade Agreement Implementation Act of 1988, to Canada of an article made from or substituted for, as appropriate, a drawback eligible good under section 204(a) of such Act of 1988 does not constitute an exportation.

"(o) For purposes of subsection (g), vessels built for Canadian account and ownership, or for the Government of Canada, may not be considered to be built for any foreign account and ownership, or for the government of any foreign country, except to the extent that the materials in such vessels are drawback eligible goods under section 204(a) of the United States-Canada Free-Trade Agreement Implementation Act of 1988.".

(4) MANIPULATION IN WAREHOUSE.—The second sentence of section 562 of the Tariff Act of 1930 (19 U.S.C. 1562) is amended by striking out the proviso thereto and the colon preceding such proviso and inserting the following: "; except that upon permission therefor being granted by the Secretary of the Treasury, and under customs supervision, at the expense of the proprietor, merchandise may be cleaned, sorted, repacked, or otherwise changed in condition, but not manufactured, in bonded warehouses established for that purpose and be withdrawn therefrom without payment of duties—

"(1) for exportation to Canada, but on or after January 1, 1994, or such later date as may be proclaimed by the President under section 204(b)(2)(B) of the United States-Canada Free-Trade Agreement Implementation Act of 1988, such exemption from the payment of duties applies only in the case of the exportation to Canada of merchandise that—

"(A) is only cleaned, sorted, or repacked in a bonded warehouse, or

"(B) is a drawback eligible good under section 204(a) of such Act of 1988;

"(2) for exportation to any foreign country except Canada; and

"(3) for shipment to the Virgin Islands, American Samoa, Wake Island, Midway Island, Kingman Reef, Johnston Island or the island of Guam.

Merchandise may be withdrawn from bonded warehouse for consumption, or for exportation to Canada if the duty exemption under paragraph (1) of the preceding sentence does not apply, upon the payment of duties accruing thereon, in its condition and quantity, and at its weight, at the time of withdrawal from warehouse, with such additions to or deductions from the final appraised value as may be necessary by reason of change in condition.".

(5) FOREIGN TRADE ZONES.—Section 3(a) of the Act of June 18, 1934 (commonly known as the "Foreign Trade Zones Act"; 19 U.S.C. 81c) is further amended by adding before the period at the end thereof the following: *"Provided, further,* That with the exception of drawback eligible goods under section 204(a) of the United States-Canada Free-Trade Agreement Implementation Act of 1988, no article manufactured or otherwise changed in condition (except a change by cleaning, testing or repacking) shall be exported to Canada on or after January 1, 1994, or such later date as may be proclaimed by the President under section 204(b)(2)(B) of such Act of 1988, without the payment of a duty that shall be payable on the article in its condition and quantity, and at its weight, at the time of its exportation to Canada unless the privilege in the first proviso to this subsection was requested.".

SEC. 205. ENFORCEMENT.

(a) CERTIFICATIONS OF ORIGIN.—

(1) Any person that certifies in writing that goods exported to Canada meet the rules of origin under section 202 of the United States-Canada Free-Trade Agreement Implementation Act of 1988 shall provide, upon request by any customs official, a copy of that certification.

(2) Any person that fails to provide a copy of a certification requested under paragraph (1) shall be liable to the United States for a civil penalty not to exceed $10,000.

(3) Any person that certifies falsely that goods exported to Canada meet the rules of origin under such section 202 shall be liable to the United States for the same civil penalties provided under section 592 of the Tariff Act of 1930 (19 U.S.C. 1592) for a violation of section 592(a) of such Act by fraud, gross negligence, or negligence, as the case may be. The procedures and provisions of section 592 of such Act that are applicable to a violation under section 592(a) of such Act shall apply with respect to such false certification.

(b) RECORDKEEPING REQUIREMENTS.—Section 508 of the Tariff Act of 1930 (19 U.S.C. 1508) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively;

(2) by inserting "and (b)" after "(a)" in subsection (c), as so redesignated;

(3) by adding after subsection (a) the following new subsection:

"(b) Any person who exports, or who knowingly causes to be exported, any merchandise to Canada shall make, keep, and render for examination and inspection such records (including certifications of origin or copies thereof) which pertain to such exportations."; and

(4) by adding at the end thereof the following new subsection:

"(e) Any person who fails to retain records required by subsection (b) or the regulations issued to implement that subsection shall be liable to a civil penalty not to exceed $10,000.".

SEC. 206. EXEMPTION FROM LOTTERY TICKET EMBARGO.

Section 305(a) of the Tariff Act of 1930 (19 U.S.C. 1305(a)) is amended by striking out the period at the end of the first paragraph and inserting the following: ": *Provided further,* That effective January 1, 1993, this section shall not apply to any lottery ticket, printed paper that may be used as a lottery ticket, or advertisement of any lottery, that is printed in Canada for use in connection with a lottery conducted in the United States.".

SEC. 207. PRODUCTION-BASED DUTY REMISSION PROGRAMS WITH RESPECT TO AUTOMOTIVE PRODUCTS.

(a) USTR STUDY.—The United States Trade Representative shall—

(1) undertake a study to determine whether any of the production-based duty remission programs of Canada with respect to automotive products is either—

(A) inconsistent with the provisions of, or otherwise denies the benefits to the United States under, the General Agreement on Tariffs and Trade, or

(B) being implemented inconsistently with the obligations under article 1002 of the Agreement not—

(i) to expand the extent or the application, or

(ii) to extend the duration,

of such programs; and

(2) determine whether to initiate an investigation under section 302 of the Trade Act of 1974 with respect to any of such production-based duty remission programs.

(b) REPORT AND MONITORING.—

(1) The United States Trade Representative shall submit a report to Congress no later than June 30, 1989 (or no later than September 30, 1989, if the Trade Representative considers an extension to be necessary) containing—

(A) the results of the study under subsection (a)(1), as well as a description of the basis used for measuring and verifying compliance with the obligations referred to in subsection (a)(1)(B); and

(B) any determination made under subsection (a)(2) and the reasons therefor.

(2) Notwithstanding the submission of the report under paragraph (1), the Trade Representative shall continue to monitor the degree of compliance with the obligations referred to in subsection (a)(1)(B).

## TITLE III—APPLICATION OF AGREEMENT TO SECTORS AND SERVICES

SEC. 301. AGRICULTURE.

(a) SPECIAL TARIFF PROVISIONS FOR FRESH FRUITS AND VEGETABLES.—

(1) The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") may recommend to the President the imposition of a temporary duty on any Canadian fresh fruit or vegetable entered into the United States if the Secretary determines that both of the following conditions exist at the time that imposition of the duty is recommended:

(A) For each of 5 consecutive working days the import price of the Canadian fresh fruit or vegetable is below 90 percent of the corresponding 5-year average monthly import price for such fruit or vegetable.

(B) The planted acreage in the United States for the like fresh fruit or vegetable is no higher than the average planted acreage over the preceding 5 years, excluding the years with the highest and lowest acreage. For the purposes of applying this subparagraph, any acreage increase attributed directly to a reduction in the acreage that was

planted to wine grapes as of October 4, 1987, shall be excluded.

Whenever the Secretary makes a determination that the conditions referred to in subparagraphs (A) and (B) regarding any Canadian fresh fruit or vegetable exist, the Secretary shall promptly submit for publication in the Federal Register notice of the determination.

(2) In determining whether to recommend the imposition of a temporary duty to the President under paragraph (1), the Secretary shall consider whether the conditions in subparagraphs (A) and (B) of such paragraph have led to a distortion in trade between the United States and Canada of the fresh fruit or vegetable and, if so, whether the imposition of the duty is appropriate, including consideration of whether it would significantly correct this distortion.

(3) Not later than 7 days after receipt of a recommendation of the Secretary under paragraph (1), the President, after taking into account the national economic interests of the United States, shall determine whether to impose a temporary duty on the Canadian fresh fruit or vegetable concerned. If the determination is affirmative, the President shall proclaim the imposition and the rate of the temporary duty, but such duty shall not apply to the entry of articles that were in transit to the United States on the first day on which the temporary duty is in effect.

(4) A temporary duty imposed under paragraph (3) shall cease to apply with respect to articles that are entered on or after the earlier of—

(A) the day following the last of 5 consecutive working days with respect to which the Secretary determines that the point of shipment price in Canada for the Canadian fruit or vegetable concerned exceeds 90 percent of the corresponding 5-year average monthly import price; or

(B) the 180th day after the date on which the temporary duty first took effect.

(5) No temporary duty may be imposed under this subsection on a Canadian fresh fruit or vegetable during such time as import relief is provided with respect to such fresh fruit or vegetable under chapter 1 of title II of the Trade Act of 1974.

(6) For purposes of this subsection:

(A) The term "Canadian fresh fruit or vegetable" means any article originating in Canada (as determined in accordance with section 202) and classified within any of the following headings of the Harmonized System:

(i) 07.01 (relating to potatoes, fresh or chilled);

(ii) 07.02 (relating to tomatoes, fresh or chilled);

(iii) 07.03 (relating to onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled);

(iv) 07.04 (relating to cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled);

(v) 07.05 (relating to lettuce (lactuca sativa) and chicory (cichorium spp.), fresh or chilled);

(vi) 07.06 (relating to carrots, salad beets or beetroot, salsify, celeriac, radishes and similar edible roots (excluding turnips), fresh or chilled);

(vii) 07.07 (relating to cucumbers and gherkins, fresh or chilled);

(viii) 07.08 (relating to leguminous vegetables, shelled or unshelled, fresh or chilled);

(ix) 07.09 (relating to other vegetables (excluding truffles), fresh or chilled);

(x) 08.06.10 (relating to grapes, fresh);

(xi) 08.08.20 (relating to pears and quinces, fresh);

(xii) 08.09 (relating to apricots, cherries, peaches (including nectarines), plums and sloes, fresh); and

(xiii) 08.10 (relating to other fruit (excluding cranberries and blueberries), fresh).

(B) The term "corresponding 5-year average monthly import price" for a particular day means the average import price of a Canadian fresh fruit or vegetable, for the calendar month in which that day occurs, for that month in each of the preceding 5 years, excluding the years with the highest and lowest monthly averages.

(C) The term "import price" has the meaning given such term in article 711 of the Agreement.

(D) The rate of a temporary duty imposed under this subsection with respect to a Canadian fresh fruit or vegetable means a rate that, including the rate of any other duty in effect for such fruit or vegetable, does not exceed the lesser of—

(i) the duty that was in effect for the fresh fruit or vegetable before January 1, 1989, under column one of the Tariff Schedules of the United States for the applicable season in which the temporary duty is applied; or

(ii) the duty in effect for the fresh fruit or vegetable under column one of such Schedules, or column 1 (General) of the Harmonized System, at the time the temporary duty is applied.

(7)(A) The Secretary shall, to the extent practicable, administer the provisions of this subsection to the 8-digit level of classification under the Harmonized System.

(B) The Secretary may issue such regulations as may be necessary to implement the provisions of this subsection.

(8) For purposes of assisting the Secretary in carrying out this subsection, the Commissioner of Customs and the Director of the Bureau of Census shall cooperate in providing the Secretary with timely information and data relating to the importation of Canadian fresh fruits and vegetables.

(9) The authority to impose temporary duties under this subsection expires on the 20th anniversary of the date on which the Agreement enters into force.

(b) MEAT IMPORT ACT OF 1979.—The Meat Import Act of 1979 (19 U.S.C. 2253 note) is amended—

(1) by inserting at the end of subsection (b)(2) the following flush sentence:

"Such term does not include any article described in subparagraph (A), (B), or (C) originating in Canada (as determined in accordance with section 202 of the United States-Canada Free-Trade Agreement Implementation Act of 1988).";

(2) by striking out "1,204,600,000" in subsection (c) and inserting "1,147,600,000";

(3) by striking out "1,250,000,000 pounds" in subsection (f)(1) and inserting "(A) 1,193,000,000 pounds if no import limitation on Canadian products is in effect under subsection (l), or (B) 1,250,000,000 pounds if an import limitation on Canadian products is in effect under subsection (l)";

(4) by inserting "other than Canada" after "countries" each place it appears in subsection (i); and

(5) by amending subsection (l) to read as follows:

"(l) If the President—

"(1) has—

"(A) proclaimed limitations on meat articles under the preceding provisions of this section, or

"(B) entered into one or more agreements other than with Canada regarding meat articles pursuant to section 204 of the Agricultural Act of 1956; and

"(2) determines that the Government of Canada has not taken equivalent action;

the President may by proclamation limit the total quantities of articles described in subsection (b)(2) (A), (B), and (C) and originating in Canada (as determined in accordance with section 202 of the United States-Canada Free-Trade Agreement Implementation Act of 1988) that may enter the United States. A limitation imposed under the preceding sentence shall be only to the extent that, and only for such period of time as, the President determines sufficient to prevent frustration of the limitations placed on meat articles imported from other countries under this section or actions taken with respect to meat articles under agreements negotiated pursuant to section 204 of the Agricultural Act of 1956.".

(c) AGRICULTURAL ADJUSTMENT ACT.—Section 22(f) of the Agricultural Adjustment Act, as reenacted with amendments by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 624(f)), is amended by inserting immediately after "section" the following: "; except that the President may, pursuant to articles 705.5 and 707 of the United States-Canada Free-Trade Agreement, exempt products of Canada from any import restriction imposed under this section".

(d) IMPORTATION OF ANIMAL VACCINES.—The second sentence of the eighth paragraph of the matter under the heading "BUREAU OF ANIMAL INDUSTRY" of the Act of March 4, 1913 (37 Stat. 832, chapter 145; 21 U.S.C. 152) is amended to read as follows: "The importation into the United States of any virus, serum, toxin, or analogous product for use in the treatment of domestic animals, and the importation of any worthless, contaminated, dangerous, or harmful virus, serum, toxin, or analogous product for use in the treatment of domestic animals, is prohibited without (1) a permit from the Secretary of Agriculture, or (2) in the case of an article originating in Canada, such permit or, in lieu of such permit, such certification by Canada as may be prescribed by the Secretary of Agriculture.".

(e) IMPORTATION OF SEEDS.—Subsection (e) of section 302 of the Federal Seed Act (7 U.S.C. 1582(e)) is amended to read as follows:

"(e) The provisions of this title requiring certain seeds to be stained shall not apply—

"(1) to alfalfa or clover seed originating in Canada, or

"(2) when seeds otherwise required to be stained will not be sold within the United States and will be used for seed production only by or for the importer or consignee and the importer of record or consignee files a statement in accordance with the rules and regulations prescribed under section 402 certifying that such seeds will be used only for seed production by or for the importer or consignee.".

(f) PLANT AND ANIMAL HEALTH REGULATIONS.—

(1) Section 103 of the Federal Plant Pest Act (7 U.S.C. 150bb) is amended—

(A) in subsection (a), by striking out "No" and inserting in lieu thereof "Except as provided in subsection (c), no"; and

(B) by adding at the end thereof the following new subsection:

"(c) No person shall move any plant pest from Canada into or through the United States or accept delivery of any plant pest moving from Canada into or through the United States, unless such movement is made in accordance with such regulations as the Secretary may promulgate under this section to prevent the dissemination into the United States of plant pests.".

(2) Section 104 of the Federal Plant Pest Act (7 U.S.C. 150cc) is amended—

(A) in subsection (a), by striking out "Any letter" and inserting in lieu thereof "Except as provided in subsection (b), any letter";

(B) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(C) by inserting after subsection (a) the following new subsection:

"(b) Any letter, parcel, box, or other package from Canada containing any plant pest, whether sealed as letter-rate postal matter or not, is declared to be nonmailable, and shall not knowingly be conveyed in the mail or delivered from any post office or by any mail carrier, except in accordance with such regulations as the Secretary may promulgate under this section to prevent the dissemination into the United States of plant pests.".

(3) The Act of August 20, 1912 (37 Stat. 315, chapter 308; 7 U.S.C. 154 et seq.) is amended—

(A) in the first section (7 U.S.C. 154), by striking out "*Provided*" the first place it appears and inserting in lieu thereof "*Provided*, That the Secretary of Agriculture may waive the permit requirement for nursery stock imported or offered for entry from Canada: *Provided further*"; and

(B) by adding at the end of section 2 (7 U.S.C. 156) the following new sentence: "This section shall not apply to nursery stock that arrives from, or is imported from, Canada.".

(4) Subsection (a) of section 4 of the Federal Noxious Weed Act of 1974 (7 U.S.C. 2803(a)) is amended to read as follows:

"(a) No person shall knowingly move any noxious weed identified in a regulation promulgated by the Secretary into or through the United States or interstate, unless such movement is—

"(1) from Canada, or authorized under general or specific permit from the Secretary; and

"(2) made in accordance with such conditions as the Secretary may prescribe in the permit and in such regulations as the Secretary may prescribe under this Act to prevent the dissemination into the United States, or interstate, of such noxious weeds.".

(5) Section 306 of the Tariff Act of 1930 (19 U.S.C. 1306) is amended by inserting after subsection (a) the following new subsection:

"(b) Notwithstanding subsection (a), the Secretary of Agriculture may permit, subject to such terms and conditions as the Secretary of Agriculture determines appropriate, the importation of cattle, sheep, or other ruminants, or swine (including embryos of such animals) or the fresh, chilled, or frozen meat of such animals from a region of Canada notwithstanding the existence of rinderpest or foot-and-mouth disease in Canada, if—

"(1) the United States and Canada have entered into an agreement delineating the criteria for recognizing that a geographical region of either country is free from rinderpest or foot-and-mouth disease; and

"(2) the appropriate official of the government of Canada certifies that the region of Canada from which the animal or meat originated is free from rinderpest and foot-and-mouth disease.".

SEC. 302. RELIEF FROM IMPORTS.

(a) RELIEF FROM IMPORTS OF CANADIAN ARTICLES.—

(1) A petition requesting action under this section for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the United States International Trade Commission (hereafter in this section referred to as the "Commission") by an entity, including a trade association, firm, certified or recognized union, or group of workers, which is representative of an industry. The Commission shall transmit a copy of any petition filed under this paragraph to the United States Trade Representative.

(2)(A) Upon the filing of a petition under paragraph (1), the Commission shall promptly initiate an investigation to determine whether, as a result of a reduction or elimination of a duty provided for under the United States-Canada Free-Trade Agreement, an article originating in Canada is being imported into the United States in such increased quantities, in absolute terms, and under such conditions, so that imports of such Canadian article, alone, constitute a substantial cause of serious injury to the domestic industry producing an article like, or directly competitive with, the imported article.

(B) The provisions of—

(i) paragraphs (2), (3), (4), (6), and (7) of subsection (b), other than paragraph (2)(B), and

(ii) subsection (c),

of section 201 of the Trade Act of 1974 (19 U.S.C. 2251), as in effect on June 1, 1988, shall apply with respect to any investigation initiated under subparagraph (A).

(C) By no later than the date that is 120 days after the date on which an investigation is initiated under subparagraph (A), the Commission shall make a determination under subparagraph (A) with respect to such investigation.

(D) If the determination made by the Commission under subparagraph (A) with respect to imports of an article is affirmative, the Commission shall find and recommend to the President the amount of import relief that is necessary to remedy the injury found by the Commission in such affirmative determination, which shall be limited to that set forth in paragraph (3)(C).

(E)(i) By no later than the date that is 30 days after the date on which a determination is made under subparagraph (A) with respect to an investigation, the Commission shall submit to the President a report on the determination and the basis for the determination. The report shall include any dissenting or separate views and a transcript of the hearings and any briefs which were submitted to the Commission in the course of the investigation initiated under subparagraph (A).

(ii) Any finding made under subparagraph (D) shall be included in the report submitted to the President under clause (i).

(F) Upon submitting a report to the President under subparagraph (E), the Commission shall promptly make public such report (with the exception of information which the Commission determines to be confidential) and shall cause a summary thereof to be published in the Federal Register.

(G) For purposes of this subsection—

(i) The provisions of paragraphs (1), (2), and (3) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)) shall be applied with respect to determinations and findings made under this paragraph as if such determinations and findings were made under section 201 of the Trade Act of 1974 (19 U.S.C. 2251).

(ii) The determination of whether an article originates in Canada shall be made in accordance with section 202 (including any proclamations issued under section 202).

(3)(A) By no later than the date that is 30 days after the date on which the President receives the report of the Commission containing an affirmative determination made by the Commission under paragraph (2)(A), the President shall provide relief from imports of the article originating in Canada that is the subject of such determination to the extent that, and for such time (not to exceed 3 years) as the President determines to be necessary to remedy the injury found by the Commission.

(B) The President is not required to provide import relief by reason of this paragraph if the President determines that the provision of such import relief is not in the national economic interest.

(C) The import relief that the President is authorized to provide by reason of this paragraph with respect to an article originating in Canada is limited to—

(i) the suspension of any further reductions provided for under the Agreement in the duty imposed on such article originating in Canada,

(ii) an increase in the rate of duty imposed on such article originating in Canada to a level that does not exceed the lesser of—

(I) the most-favored-nation rate of duty that is imposed by the United States on such article from any other foreign country at the time such import relief is provided, or

(II) the most-favored-nation rate of duty that is imposed by the United States on such article from any other foreign country on the day before the date on which the Agreement enters into force, or

(iii) in the case of a duty applied on a seasonal basis to such article originating in Canada, an increase in the rate of duty imposed on such article originating in Canada to a level that does not exceed the most-favored-nation rate of duty imposed by the United States on such article originating in Canada for the corresponding season immediately prior to the date on which the Agreement enters into force.

(4)(A) No investigation may be initiated under paragraph (2)(A) with respect to any article for which import relief has been provided under this subsection.

(B) No import relief may be provided under this subsection after the date that is 10 years after the date on which the Agreement enters into force.

(5) For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under paragraph (3) shall be treated as action taken under chapter I of title II of such Act.

(b) RELIEF FROM IMPORTS FROM ALL COUNTRIES.—

(1)(A) If, in any investigation initiated under chapter 1 of title II of the Trade Act of 1974, the Commission makes an affirmative determination (or a determination which is treated as an affirmative determination under such chapter by reason of section 330(d) of the Tariff Act of 1930) that an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry, the

Commission shall also find (and report to the President at the time such injury determination is submitted to the President), whether imports from Canada of the article that is the subject of such investigation are substantial and are contributing importantly to such injury or threat thereof.

(B)(i) In determining under subparagraph (A) whether imports of an article from Canada are substantial, the Commission shall not normally consider imports from Canada in the range of 5 to 10 percent or less of total imports of such article to be substantial.

(ii) For purposes of this paragraph, the term "contributing importantly" means an important cause, but not necessarily the most important cause, of the serious injury or threat thereof caused by imports.

(2)(A) In determining whether to take action under chapter 1 of title II of the Trade Act of 1974 with respect to imports from Canada, the President shall determine whether imports from Canada of such article are substantial and contributing importantly to the serious injury or threat of serious injury found by the Commission.

(B) In determining the nature and extent of action to be taken under chapter 1 of title II of the Trade Act of 1974, the President shall exclude from such action imports from Canada if the President has made a negative determination under subparagraph (A) regarding imports from Canada.

(3)(A) If, under paragraph (2)(B), the President excludes imports from Canada from action taken under chapter 1 of title II of the Trade Act of 1974, the President may, if the President thereafter determines that a surge in imports from Canada of the article that is the subject of the action is undermining the effectiveness of the action, take appropriate action under such chapter with respect to such imports from Canada to include such imports in such action.

(B)(i) If, under paragraph (2)(B), the President excludes imports from Canada from action taken under chapter 1 of title II of the Trade Act of 1974, any entity, including a trade association, firm, certified or recognized union, or group of workers, that is representative of an industry for which such action is being taken under such chapter may request the Commission to conduct an investigation of imports from Canada of the article that is the subject of such action.

(ii) Upon receiving a request under clause (i), the Commission shall conduct an investigation to determine whether a surge in imports from Canada of the article that is the subject of action being taken under chapter 1 of title II of the Trade Act of 1974 undermines the effectiveness of such action. The Commission shall submit the findings of such investigation to the President by no later than the date that is 30 days after the date on which such request is received by the Commission.

(C) For purposes of this paragraph, the term "surge" means a significant increase in imports over the trend for a reasonable, recent base period for which data are available.

(c) Any entity that is representative of an industry may submit a petition for relief under subsection (a), under chapter 1 of title II of the Trade Act of 1974, or under both subsection (a) and such chapter at the same time. If petitions are submitted by such an entity under subsection (a) and such chapter at the same time, the Commission shall consider such petitions jointly.

SEC. 303. ACTS IDENTIFIED IN NATIONAL TRADE ESTIMATES.

With respect to any act, policy, or practice of Canada that is identified in the annual report submitted under section 181 of the Trade Act of 1974 (19 U.S.C. 2241), the United States Trade Representative shall include—

(1) information with respect to the action taken regarding such act, policy, or practice, including but not limited to—

(A) any action under section 301 of the Trade Act of 1974 (including resolution through appropriate dispute settlement procedures),

(B) any action under section 307 of the Trade and Tariff Act of 1984, and

(C) negotiations or consultations, whether on a bilateral or multilateral basis; or

(2) the reasons that no action was taken regarding such act, policy, or practice.

SEC. 304. NEGOTIATIONS REGARDING CERTAIN SECTORS; BIENNIAL REPORTS.

(a) IN GENERAL.—

(1) The President is authorized to enter into negotiations with the Government of Canada for the purpose of concluding an agreement (including an agreement amending the Agreement) or agreements to—

(A) liberalize trade in services in accordance with article 1405 of the Agreement;

(B) liberalize investment rules;

(C) improve the protection of intellectual property rights;

(D) increase the value requirement applied for purposes of determining whether an automotive product is treated as originating in Canada or the United States; and

(E) liberalize government procurement practices, particularly with regard to telecommunications.

(2) As an exercise of the foreign relations powers of the President under the Constitution, the President will enter into immediate consultations with the Government of Canada to obtain the exclusion from the transport rates established under Canada's Western Grain Transportation Act of agricultural goods that originate in Canada and are shipped via east coast ports for consumption in the United States.

(b) NEGOTIATING OBJECTIVES REGARDING SERVICES, INVESTMENT, AND INTELLECTUAL PROPERTY RIGHTS.—

(1) The objectives of the United States in negotiations conducted under subsection (a)(1)(A) to liberalize trade in services include—

(A) with respect to developing services sectors not covered in the Agreement, the elimination of those tariff, nontariff, and subsidy trade distortions that have potential to affect significant bilateral trade;

(B) the elimination or reduction of measures grandfathered by the Agreement that deny or restrict national treatment in the provision of services;

(C) the elimination of local presence requirements; and

(D) the liberalization of government procurement of services.

In conducting such negotiations, the President shall consult with the services advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155).

(2) The objectives of the United States in any negotiations conducted under subsection (a)(1)(B) to liberalize investment rules include—

(A) the elimination of direct investment screening;

(B) the extension of the principles of the Agreement to energy and cultural industries, to the extent such industries are not currently covered by the Agreement;

(C) the elimination of technology transfer requirements and other performance requirements not currently barred by the Agreement; and

(D) the subjection of all investment disputes to dispute resolution under chapter 18 of the Agreement.

In conducting such negotiations, the President shall consult with persons representing diverse interests in the United States in investment.

(3) The objectives of the United States in any negotiations conducted under subsection (a)(1)(C) to improve the protection of intellectual property rights include—

(A) the recognition and adequate protection of intellectual property, including copyrights, patents, process patents, trademarks, mask works, and trade secrets; and

(B) the establishment of dispute resolution procedures and binational enforcement of intellectual property standards.

In conducting such negotiations, the President shall consult with persons representing diverse interests in the United States in intellectual property.

(c) NEGOTIATING OBJECTIVES REGARDING AUTOMOTIVE PRODUCTS.—

(1) In conducting negotiations under subsection (a)(1)(D) regarding the value requirement for automotive products, the President shall seek to conclude an agreement by no later than January 1, 1990, to increase the value requirement from 50 percent to at least 60 percent.

(2) The President is authorized, through January 1, 1999, to proclaim any agreed increase in the value requirement.

(3) As used in this section, the term "value requirement" means the minimum percentage of the value of an automotive product that must be accounted for by the value of the materials in the product that originated in the United States or Canada, or both, plus the direct cost of processing or assembly performed in the United States or Canada, or both, with respect to the product.

(d) NEGOTIATION OF LIMITATION ON POTATO TRADE.—

(1) During the 5-year period beginning on the date of enactment of this Act, the President is authorized to enter into negotiations with Canada for the purpose of obtaining an agreement to limit the exportation and importation of all potatoes between the United States and Canada, including seed potatoes, fresh, chilled or frozen potatoes, dried, desiccated or dehydrated potatoes, and potatoes otherwise prepared or preserved. Any agreement negotiated under this subsection shall provide for an annual limitation divided equally into each half of the year.

(2) For the purpose of conducting negotiations under paragraph (1), the Secretary of Agriculture and the United States Trade Representative shall consult with representatives of the potato producing industry, including the Ad Hoc Potato Advisory Group and the United States/Canada Horticultural Industry Advisory Committee, to solicit their views on negotiations with Canada for reciprocal quantitative limits on the potato trade.

(3) The President is authorized to direct the Secretary of the Treasury to—

(A) carry out such actions as may be necessary or appropriate to ensure the attainment of the objectives of any agreement that is entered into under this section; and

(B) enforce any quantitative limitation, restriction, and other terms contained in the agreement.

Such actions may include, but are not limited to, requirements that valid export licenses or other documentation issued by a foreign government be presented as a condition for the entry into the United States of any article that is subject to the agreement.

(4) The provisions of section 1204 of the Agriculture and Food Act of 1981 (7 U.S.C. 1736j) and the last sentence of section 812 of the Agricultural Act of 1970 (7 U.S.C. 612c-3) shall not apply in the case of actions taken pursuant to this subsection.

(e) CANADIAN CONTROLS ON FISH.—

(1) Within 30 days of the application by Canada of export controls on unprocessed fish under statutes exempted from the Agreement under article 1203, or the application of landing requirements for fish caught in Canadian waters, the President shall take appropriate action to enforce United States rights under the General Agreement on Tariffs and Trade that are retained in article 1205 of the Agreement.

(2) In enforcing the United States rights referred to in paragraph (1), the President has discretion to—

(A) bring a challenge to the offending Canadian practices before the GATT;

(B) retaliate against such offending practices;

(C) seek resolution directly with Canada;

(D) refer the matter for dispute resolution to the Canada-United States Trade Commission; or

(E) take other action that the President considers appropriate to enforce such United States rights.

(f) BIENNIAL REPORT.—The President shall submit to the Congress, at the close of each biennial period occurring after the date on which the Agreement enters into force, a report regarding—

(1) the status of the negotiations regarding agreements that the President is authorized to enter into with Canada under this section;

(2) the effectiveness and operation of any agreement entered into under section 304 that is in force with respect to the United States;

(3) the effectiveness of operation of the Agreement generally; and

(4) the actions taken by the United States and Canada to implement further the objectives of the Agreement.

SEC. 305. ENERGY.

(a) ALASKAN OIL.—Section 7(d)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2406(d)(1)) is amended—

(1) by striking "or" before "(B)"; and

(2) by inserting after "reenters the United States" the following: ", or (C) is transported to Canada, to be consumed therein, in amounts not to exceed an annual average of 50,000 barrels per day, in addition to exports under subparagraphs (A) and (B), except that any ocean transportation of such oil shall be by vessels documented under section 12106 of title 46, United States Code".

(b) URANIUM.—Section 161(v) of the Atomic Energy Act of 1954 (42 U.S.C. 2201(v)) is amended by inserting "For purposes of this subsection and of section 305 of Public Law 99-591 (100 Stat. 3341-209, 210), 'foreign origin' excludes source of special nuclear material originating in Canada." before "The Commission shall establish".

SEC. 306. LOWERED THRESHOLD FOR GOVERNMENT PROCUREMENT UNDER TRADE AGREEMENTS ACT OF 1979 IN THE CASE OF CERTAIN CANADIAN PRODUCTS.

Section 308(4) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)) is amended by inserting after subparagraph (C) the following new subparagraph:

"(D) LOWERED THRESHOLD FOR CERTAIN PRODUCTS AS A CONSEQUENCE OF UNITED STATES-CANADA FREE-TRADE AGREEMENT.—Except as otherwise agreed by the United States and Canada under paragraph 3 of article 1304 of the United States-Canada Free-Trade Agreement, the term 'eligible product' includes a product or service of Canada having a contract value of $25,000 or more that would be covered for procurement by the United States under the GATT Agreement on Government Procurement, but for the SDR threshold provided for in article I(1)(b) of the GATT Agreement on Government Procurement."

SEC. 307. TEMPORARY ENTRY FOR BUSINESS PERSONS.

(a) NONIMMIGRANT TRADERS AND INVESTORS.—Upon a basis of reciprocity secured by the United States-Canada Free-Trade Agreement, a citizen of Canada, and the spouse and children of any such citizen if accompanying or following to join such citizen, may, if otherwise eligible for a visa and if otherwise admissible into the United States under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), be considered to be classifiable as a nonimmigrant under section 101(a)(15)(E) of such Act (8 U.S.C. 1101(a)(15)(E)) if entering solely for a purpose specified in Annex 1502.1 (United States of America), Part B—Traders and Investors, of such Agreement, but only if any such purpose shall have been specified in such Annex as of the date of entry into force of such Agreement.

(b) NONIMMIGRANT PROFESSIONALS.—Section 214 of the Immigration and Nationality Act (8 U.S.C. 1184) is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision of this Act, an alien who is a citizen of Canada and seeks to enter the United States under and pursuant to the provisions of Annex 1502.1 (United States of America), Part C—Professionals, of the United States-Canada Free-Trade Agreement to engage in business activities at a professional level as provided for therein may be admitted for such purpose under regulations of the Attorney General promulgated after consultation with the Secretaries of State and Labor.".

SEC. 308. AMENDMENT TO SECTION 5136 OF THE REVISED STATUTES.

Paragraph "Seventh" of section 5136 of the Revised Statutes (12 U.S.C. 24 (Seventh)) is amended by adding at the end thereof the following:

"A national banking association may deal in, underwrite, and purchase for such association's own account qualified Canadian government obligations to the same extent that such association may deal in, underwrite, and purchase for such association's own account obligations of the United States or general obligations of any State or of any political subdivision thereof. For purposes of this paragraph—

"(1) the term 'qualified Canadian government obligations' means any debt obligation which is backed by Canada, any Province of Canada, or any political subdivision of any such Province to a degree which is comparable to the liability of the United States, any State, or any political subdivision thereof for any obligation which is backed by the full faith and credit of the United States, such State, or such political subdivision, and such term includes any debt obligation of any agent of Canada or any such Province or any political subdivision of such Province if—

"(A) the obligation of the agent is assumed in such agent's capacity as agent for Canada or such Province or such political subdivision; and

"(B) Canada, such Province, or such political subdivision on whose behalf such agent is acting with respect to such obligation is ultimately and unconditionally liable for such obligation; and

"(2) the term 'Province of Canada' means a Province of Canada and includes the Yukon Territory and the Northwest Territories and their successors.".

SEC. 309. STEEL PRODUCTS.

Nothing in this Act shall preclude any discussion or negotiation between the United States and Canada in order to conclude voluntary restraint agreements or mutually agreed quantitative restrictions on the volume of steel products entering the United States from Canada.

## TITLE IV—BINATIONAL PANEL DISPUTE SETTLEMENT IN ANTIDUMPING AND COUNTERVAILING DUTY CASES.

SEC. 401. AMENDMENTS TO SECTION 516A OF THE TARIFF ACT OF 1930.

(a) TIME LIMITS.—Section 516A(a) of the Tariff Act of 1930 (19 U.S.C. 1516a(a)) is amended by adding at the end thereof the following new paragraph:

"(5) TIME LIMITS IN CASES INVOLVING CANADIAN MERCHANDISE.—Notwithstanding any other provision of this subsection, in the case of a determination to which the provisions of subsection (g) apply, an action under this subsection may not be commenced, and the time limits for commencing an action under this subsection shall not begin to run, until the 31st day after—

"(A) the date of publication in the Federal Register of—

"(i) notice of any determination described in paragraph (1)(B) or a determination described in clause (ii) or (iii) of paragraph (2)(B), or

"(ii) an antidumping or countervailing duty order based upon any determination described in clause (i) of paragraph (2)(B), or

"(B) the date on which the Government of Canada receives notice of a determination described in clause (vi) of paragraph (2)(B).".

(b) DEFINITIONS.—Section 516A(f) of the Tariff Act of 1930 (19 U.S.C. 1516a(f)) is amended by adding at the end thereof the following new paragraphs:

"(5) AGREEMENT.—The term 'Agreement' means the United States-Canada Free-Trade Agreement.

"(6) UNITED STATES SECRETARY.—The term 'United States Secretary' means the secretary provided for in paragraph 4 of Article 1909 of the Agreement.

"(7) CANADIAN SECRETARY.—The term 'Canadian Secretary' means the secretary provided for in paragraph 5 of Article 1909 of the Agreement.".

(c) REVIEW REGARDING CANADIAN MERCHANDISE.—Section 516A of the Tariff Act of 1930 (19 U.S.C. 1516a) is amended by adding at the end thereof the following new subsection:

"(g) REVIEW OF COUNTERVAILING DUTY AND ANTIDUMPING DUTY DETERMINATIONS INVOLVING CANADIAN MERCHANDISE.—

"(1) DEFINITION OF DETERMINATION.—For purposes of this subsection, the term 'determination' means a determination described in—

"(A) paragraph (1)(B) of subsection (a), or

"(B) clause (i), (ii), (iii), or (vi) of paragraph (2)(B) of subsection (a),

if made in connection with a proceeding regarding a class or kind of Canadian merchandise, as determined by the administering authority.

"(2) EXCLUSIVE REVIEW OF DETERMINATION BY BINATIONAL PANELS.—If binational panel review of a determination is requested pursuant to Article 1904 of the Agreement, then, except as provided in paragraphs (3) and (4)—

"(A) the determination is not reviewable under subsection (a), and

"(B) no court of the United States has power or jurisdiction to review the determination on any question of law or fact by an action in the nature of mandamus or otherwise.

"(3) EXCEPTION TO EXCLUSIVE BINATIONAL PANEL REVIEW.—

"(A) IN GENERAL.—A determination is reviewable under subsection (a) if the determination sought to be reviewed is—

"(i) a determination as to which neither the United States nor Canada requested review by a binational panel pursuant to Article 1904 of the Agreement,

"(ii) a revised determination issued as a direct result of judicial review, commenced pursuant to subsection (a), if neither the United States nor Canada requested review of the original determination, or

"(iii) a determination issued as a direct result of judicial review that was commenced pursuant to subsection (a) prior to the entry into force of the Agreement.

"(B) SPECIAL RULE.—A determination described in subparagraph (A)(i) is reviewable under subsection (a) only if the party seeking to commence review has provided timely notice of its intent to commence such review to the United States Secretary, the Canadian Secretary, all interested parties who were parties to the proceeding in connection with which the matter arises, and the administering authority or the Commission, as appropriate. Such notice is provided timely if the notice is delivered by no later than the date that is 20 days after the date described in subparagraph (A) or (B) of subsection (a)(5) that is applicable to such determination. Such notice shall contain such information, and be in such form, manner, and style, as the administering authority, in consultation with the Commission, shall prescribe by regulations.

"(4) EXCEPTION TO EXCLUSIVE BINATIONAL PANEL REVIEW FOR CONSTITUTIONAL ISSUES.—

"(A) CONSTITUTIONALITY OF BINATIONAL PANEL REVIEW SYSTEM.—An action for declaratory judgment or injunctive relief, or both, regarding a determination on the grounds that any provision of, or amendment made by, the United States-Canada Free-Trade Implementation Agreement Act of 1988 implementing the binational panel dispute settlement system under Chapter 19 of the Agreement violates the Constitution may be brought in the United States Court of Appeals for the District of Columbia Circuit. Any action brought under this subparagraph shall be heard and determined by a 3-judge court in accordance with section 2284 of title 28, United States Code.

"(B) OTHER CONSTITUTIONAL REVIEW.—Review is available under subsection (a) with respect to a determination solely concerning a constitutional issue (other than an issue to which subparagraph (A) applies) arising under any law of the United States as enacted or applied. An action for review under this subparagraph shall be assigned to a 3-judge panel of the United States Court of International Trade.

"(C) COMMENCEMENT OF REVIEW.—Notwithstanding the time limits in subsection (a), within 30 days after the date of publication in the Federal Register of notice that binational panel review has been completed, an interested party who is a party to the proceeding in connection with which the matter arises may commence an action under subparagraph (A) or (B) by filing an action in accordance with the rules of the court.

"(D) TRANSFER OF ACTIONS TO APPROPRIATE COURT.—Whenever an action is filed in a court under subparagraph (A) or (B) and that court finds that the action should have been filed in the other court, the court in which the action was filed shall transfer the action to the other court and the action shall proceed as if it had been filed in the court to which it is transferred on the date upon which it was actually filed in the court from which it is transferred.

"(E) FRIVOLOUS CLAIMS.—Frivolous claims brought under subparagraph (A) or (B) are subject to dismissal and sanctions as provided under section 1927 of title 28, United States Code, and the Federal Rules of Civil Procedure.

"(F) SECURITY.—

"(i) SUBPARAGRAPH (A) ACTIONS.—The security requirements of Rule 65(c) of the Federal Rules of Civil Procedure apply with respect to actions commenced under subparagraph (A).

"(ii) SUBPARAGRAPH (B) ACTIONS.—No claim shall be heard, and no temporary restraining order or temporary or permanent injunction shall be issued, under an action commenced under subparagraph (B), unless the party seeking review first files an undertaking with adequate security in an amount to be fixed by the court sufficient to recompense parties affected for any loss, expense, or damage caused by the improvident or erroneous issuance of such order or injunction. If a court upholds the constitutionality of the determination in question in such action, the court shall award to a prevailing party fees and expenses, in addition to any costs incurred by that party, unless the court finds that the position of the other party was substantially justified or that special circumstances make an award unjust.

"(G) PANEL RECORD.—The record of proceedings before the binational panel shall not be considered part of the record for review pursuant to subparagraph (A) or (B).

"(H) APPEAL TO SUPREME COURT OF COURT ORDERS ISSUED IN SUBPARAGRAPH (A) ACTIONS.—Notwithstanding any other provision of law, any final judgment of the United States Court of Appeals for the District of Columbia Circuit which is issued pursuant to an action brought under subparagraph (A) shall be reviewable by appeal directly to the Supreme Court of the United States. Any such appeal shall be taken by a notice of appeal filed within 10 days after such order is entered; and the jurisdictional statement shall be filed within 30 days after such order is entered. No stay of an order issued pursuant to an action brought under subparagraph (A) may be issued by a single Justice of the Supreme Court.

"(5) LIQUIDATION OF ENTRIES.—

"(A) APPLICATION.—In the case of a determination for which binational panel review is requested pursuant to article 1904 of the Agreement, the rules provided in this paragraph shall apply, notwithstanding the provisions of subsection (c).

"(B) GENERAL RULE.—In the case of a determination for which binational panel review is requested pursuant to article 1904 of the Agreement, entries of merchandise covered by such determination shall be liquidated in accordance with the determination of the administering authority or the Commission, if they are entered, or withdrawn from warehouse, for consumption on or before the date of publication in the Federal Register by the administering authority of notice of a final decision of a binational panel, or of an extraordinary challenge committee, not in harmony with that determination. Such notice of a decision shall be published within 10 days of the date of the issuance of the panel or committee decision.

"(C) SUSPENSION OF LIQUIDATION.—

"(i) IN GENERAL.—Notwithstanding the provisions of subparagraph (B), in the case of a determination described in clause (iii) or (vi) of subsection (a)(2)(B) for which binational panel review is requested pursuant to article 1904 of the Agreement, the administering authority, upon request of an interested party who was a party to the proceeding in connection with which the matter arises and who is a participant in the binational panel review, shall order the continued suspension of liquidation of those entries of merchandise covered by the determination that are involved in the review pending the final disposition of the review.

"(ii) NOTICE.—At the same time as the interested party makes its request to the administering authority under clause (i), that party shall serve a copy of its request on the United States Secretary, the Canadian Secretary, and all interested parties who were parties to the proceeding in connection with which the matter arises.

"(iii) APPLICATION OF SUSPENSION.—If the interested party requesting continued suspension of liquidation under clause (i) is a foreign manufacturer, producer, or exporter, or a United States importer, the continued suspension of liquidation shall apply only to entries of merchandise manufactured, produced, exported, or imported by that particular manufacturer, producer, exporter, or importer. If the interested party requesting the continued suspension of liquidation under clause (i) is an interested party described in subparagraph (C), (D), (E), or (F) of section 771(9), the continued suspension of liquidation shall apply only to entries which could be affected by a decision of the binational panel convened under chapter 19 of the Agreement.

"(iv) JUDICIAL REVIEW.—Any action taken by the administering authority or the United States Customs Service under this subparagraph shall not be subject to judicial review, and no court of the United States shall have power or jurisdiction to review such action on any question of law or fact by an action in the nature of mandamus or otherwise.

"(6) INJUNCTIVE RELIEF.—Except for cases under paragraph (4)(B), in the case of a determination for which binational panel review is requested pursuant to article 1904 of the Agreement, the provisions of subsection (c)(2) shall not apply.

"(7) IMPLEMENTATION OF INTERNATIONAL OBLIGATIONS UNDER ARTICLE 1904.—

"(A) IN GENERAL.—If a determination is referred to a binational panel or extraordinary challenge committee under the Agreement and the panel or committee makes a decision remanding the determination to the administering authority or the Commission, the administering authority or the Commission shall, within the period specified by the panel or committee, take action not inconsistent with the decision of the panel or committee. Any action taken by the administering authority or the Commission under this paragraph shall not be subject to judicial review, and no court of the United States shall have power or jurisdiction to review such action on any question of law or fact by an action in the nature of mandamus or otherwise.

"(B) APPLICATION IF SUBPARAGRAPH (A) HELD UNCONSTITUTIONAL.—In the event that the provisions of subparagraph (A) are held unconstitutional under the provisions of subparagraphs (A) and (H) of paragraph (4), the provisions of this subparagraph shall take effect. In such event, the President is authorized on behalf of the United States to accept, as a whole, the decision of a binational panel or extraordinary challenge committee remanding the determination to the administering authority or the Commission within the period specified by the panel or committee. Upon acceptance by the President of such a decision, the administering authority or the Commission shall, within the period specified by the panel or committee, take action not inconsistent with such decision. Any action taken by the President, the administering authority, or the Commission under this subparagraph shall not be subject to judicial review, and no court of the United States shall have power or jurisdiction to review such action on any question of law or fact by an action in the nature of mandamus or otherwise.

"(8) REQUESTS FOR BINATIONAL PANEL REVIEW.—

"(A) INTERESTED PARTY REQUESTS FOR BINATIONAL PANEL REVIEW.—An interested party who was a party to the proceeding in which a determination is made may request binational panel review of such determination by filing a request with the United States Secretary by no later than the date that is 30 days after the date described in subparagraph (A) or (B) of subsection (a)(5) that is applicable to such determination. Receipt of such request by the United States Secretary shall be deemed to be a request for binational panel review within the meaning of article 1904(4) of the Agreement. Such request shall contain such information and be in such form, manner, and style as the administering authority, in consultation with the Commission, shall prescribe by regulations.

"(B) SERVICE OF REQUEST FOR BINATIONAL PANEL REVIEW.—

"(i) SERVICE BY INTERESTED PARTY.—If a request for binational panel review of a determination is filed under subparagraph (A), the party making the request shall serve a copy, by mail or personal service, on any other interested party who was a party to the proceeding in connection with which the matter arises, and on the administering authority or the Commission, as appropriate.

"(ii) SERVICE BY UNITED STATES SECRETARY.—If an interested party to the proceeding requests binational panel review of a determination by filing a request with the Canadian Secretary, the United States Secretary shall serve a copy of the request by mail on any other interested party who was a party to the proceeding in connection with which the matter arises, and on the administering authority or the Commission, as appropriate.

"(C) LIMITATION ON REQUEST FOR BINATIONAL PANEL REVIEW.—Absent a request by an interested party under subparagraph (A), the United States may not request binational panel review under article 1904 of the Agreement of a determination.

"(9) REPRESENTATION IN PANEL PROCEEDINGS.—In the case of binational panel proceedings convened under chapter 19 of the Agreement, the administering authority and the Commission shall be represented by attorneys who are employees of the administering authority or the Commission, respectively. Interested parties who were parties to the proceeding in connection with which the matter arises shall have the right to appear and be represented by counsel before the binational panel.

"(10) NOTIFICATION OF CLASS OR KIND RULINGS.—In the case of a determination which is described in paragraph (2)(B)(vi) of subsection (a) and which is subject to the provisions of paragraph (2), the administering authority, upon request, shall inform any interested person of the date on which the Government of Canada received notice of the determination under article 1904(4) of the Agreement.".

(d) STANDARDS OF REVIEW.—Section 516A(b) of the Tariff Act of 1930 (19 U.S.C. 1516a(b)) is amended by adding a new paragraph (3) as follows:

"(3) EFFECT OF DECISIONS BY UNITED STATES-CANADA BINATIONAL PANELS.—In making a decision in any action brought under subsection (a), a court of the United States is not bound by, but may take into consideration, a final decision of a binational panel or extraordinary challenge committee convened pursuant to article 1904 of the Agreement.".

SEC. 402. AMENDMENTS TO TITLE 28, UNITED STATES CODE.

(a) JURISDICTION OF COURT OF INTERNATIONAL TRADE.—Section 1581(i) of title 28, United States Code, is amended by adding at the end thereof the following flush sentence: "This subsection shall not confer jurisdiction over an antidumping or countervailing duty determination which is reviewable either by the Court of International Trade under section 516A(a) of the Tariff Act of 1930 or by a binational panel under article 1904 of the United States-Canada Free-Trade Agreement and section 516A(g) of the Tariff Act of 1930.".

(b) RELIEF IN COURT OF INTERNATIONAL TRADE.—Section 2643(c) of title 28, United States Code, is amended—

(1) by striking out "and (4)" in paragraph (1) and inserting in lieu thereof "(4), and (5)"; and

(2) by adding at the end thereof the following new paragraph:

"(5) In any civil action involving an antidumping or countervailing duty proceeding regarding a class or kind of Canadian merchandise, as determined by the administering authority, the Court of International Trade may not order declaratory relief.".

(c) DECLARATORY JUDGMENTS.—Subsection (a) of section 2201 of title 28, United States Code, is amended—

(1) by striking out "1954 or" and inserting in lieu thereof "1986,"; and

(2) by inserting "or in any civil action involving an antidumping or countervailing duty proceeding regarding a class or kind of Canadian merchandise, as determined by the administering authority," after "of title 11,".

(d) ACTIONS UNDER THE AGREEMENT.—

(1) Chapter 95 of title 28, United States Code, is amended by inserting after section 1583 the following new section:

**"§ 1584. Civil actions under the United States-Canada Free-Trade Agreement**

"The United States Court of International Trade shall have exclusive jurisdiction of any civil action which arises under section 777(d) of the Tariff Act of 1930 and is commenced by the United States to enforce administrative sanctions levied for violation of a protective order or an undertaking.".

(2) The table of contents for chapter 95 of title 28, United States Code, is amended by inserting after the item relating to section 1583 the following new item:

"1584. Civil actions under the United States-Canada Free-Trade Agreement.".

SEC. 403. CONFORMING AMENDMENTS TO THE TARIFF ACT OF 1930.

(a) Section 502(b) of the Tariff Act of 1930 (19 U.S.C. 1502(b)) is amended by striking out all after "recommending the same," and inserting in lieu thereof "a final decision of the United States Court of International Trade, or a final decision of a binational panel pursuant to article 1904 of the United States-Canada Free-Trade Agreement.".

(b) Section 514(b) of the Tariff Act of 1930 (19 U.S.C. 1514(b)) is amended by inserting ", or review by a binational panel of a determination to which section 516A(g)(2) applies is commenced pursuant to section 516A(g) and article 1904 of the United States-Canada Free-Trade Agreement" after "International Trade".

(c) Section 777 of the Tariff Act of 1930 (19 U.S.C. 1677f) is amended by adding at the end thereof the following new subsection:

"(d) DISCLOSURE OF PROPRIETARY INFORMATION UNDER PROTECTIVE ORDERS ISSUED PURSUANT TO THE UNITED STATES-CANADA AGREEMENT.—

"(1) ISSUANCE OF PROTECTIVE ORDERS.—

"(A) IN GENERAL.—If binational panel review of a determination under this title is requested pursuant to article 1904 of the United States-Canada Agreement, or an extraordinary challenge committee is convened under Annex 1904.13 of the United States-Canada Agreement, the administering authority or the Commission, as appropriate, may make available to authorized persons, under a protective order described in paragraph (2), a copy of all proprietary material (but not privileged material as defined by the rules of procedure referred to in article 1904(14) of the United States-Canada Agreement) in the administrative record made during the proceeding in question.

"(B) AUTHORIZED PERSONS.—For purposes of this subsection, the term "authorized persons" means—

"(i) the members of, and the appropriate staff of, the binational panel or the extraordinary challenge committee, as the case may be, and the Secretariat,

"(ii) counsel for parties to such panel or committee proceeding, and employees of such counsel, and

"(iii) any officer or employee of the United States Government designated by the administering authority or the Commission, as appropriate, to whom disclosure is necessary in order to implement the United States-Canada Agreement with respect to such proceeding.

"(C) REVIEW.—A decision concerning the disclosure or nondisclosure of material under protective order by the administering authority or the Commission shall not be subject to judicial review, and no court of the United States shall have power or jurisdiction to review such decision on any question of law or fact by an action in the nature of mandamus or otherwise.

"(2) CONTENTS OF PROTECTIVE ORDER.—Each protective order issued under this subsection shall be in such form and contain such requirements as the administering authority or the Commission may determine by regulation to be appropriate. The administering authority and the Commission shall ensure that regulations issued pursuant to this paragraph shall be designed to provide an opportunity for participation in the binational panel proceeding equivalent to that available for judicial review of determinations by the administering authority or the Commission that are not subject to review by a binational panel.

"(3) PROHIBITED ACTS.—It is unlawful for any person to violate, or to induce the violation of, any provision of a protective order issued under this subsection or to violate, or to induce the violation of, any provision of an undertaking entered into with an authorized agency of Canada to protect proprietary material during binational panel review pursuant to article 1904 of the United States-Canada Agreement.

"(4) SANCTIONS FOR VIOLATION OF PROTECTIVE ORDERS.—Any person who is found by the administering authority or the Commission, as appropriate, after notice and an opportunity for a hearing in accordance with section 554 of title 5, United States Code, to have committed an act prohibited by paragraph (3) shall be liable to the United States for a civil penalty and shall be subject to such other administrative sanctions, including, but not limited to, debarment from practice before the administering authority or the Commission, as the administering authority or the Commission determines to be appropriate. The amount of the civil penalty shall not exceed $100,000 for each violation. Each day of a continuing violation shall constitute a separate violation. The amount of such civil penalty and other sanctions shall be assessed by the administering authority or the Commission by written notice, except that assessment shall be made by the administering authority for violation, or inducement of a violation, of an undertaking entered into by any person with an authorized agency of Canada.

"(5) REVIEW OF SANCTIONS.—Any person against whom sanctions are imposed under paragraph (4) may obtain review of such sanctions by filing a notice of appeal in the United States Court of International Trade within 30 days from the date of the order imposing the sanction and by simultaneously sending a copy of such notice by certified mail to the administering authority or the Commission, as appropriate. The administering authority or the Commission shall promptly file in such court a certified copy of the record upon which such violation was found or such sanction imposed, as provided in section 2112 of title 28, United States Code. The findings and order of the administering authority or the Commission shall be set aside by the court only if the court finds that such findings and order are not supported by substantial evidence, as provided in section 706(2) of title 5, United States Code.

"(6) ENFORCEMENT OF SANCTIONS.—If any person fails to pay an assessment of a civil penalty or to comply with other administrative sanctions after the order imposing such sanctions becomes a final and unappealable order, or after the United States Court of International Trade has entered final judgment in favor of the administering authority or the Commission, an action may be filed in such court to enforce the sanctions. In such action, the validity and appropriateness of the final order imposing the sanctions shall not be subject to review.

"(7) TESTIMONY AND PRODUCTION OF PAPERS.—

"(A) AUTHORITY TO OBTAIN INFORMATION.—For the purpose of conducting any hearing and carrying out other functions and duties under this subsection, the administering authority and the Commission, or their duly authorized agents—

"(i) shall have access to and the right to copy any pertinent document, paper, or record in the possession of any individual, partnership, corporation, association, organization, or other entity,

"(ii) may summon witnesses, take testimony, and administer oaths,

"(iii) and may require any individual or entity to produce pertinent documents, books, or records.

Any member of the Commission, and any person so designated by the administering authority, may sign subpoenas, and members and agents of the administering authority and the Commission, when authorized by the administering authority or the Commission, as appropriate, may administer oaths and affirmations, examine witnesses, take testimony, and receive evidence.

"(B) WITNESSES AND EVIDENCE.—The attendance of witnesses who are authorized to be summoned, and the production of documentary evidence authorized to be ordered, under subparagraph (A) may be required from any place in the United States at any designated place of hearing. In the case of disobedience to a subpoena issued under subparagraph (A), an action may be filed in any district or territorial court of the United States to require the attendance and testimony of witnesses and the production of documentary evidence. Such court, within the jurisdiction of which such inquiry is carried on, may, in case of contumacy or refusal to obey a subpoena issued to any individual, partnership, corporation, association, organization or other entity, issue any order requiring such individual or entity to appear before the administering authority or the Commission, or to produce documentary evidence if so ordered or to give evidence concerning the matter in question. Any failure to obey such order of the court may be punished by the court as a contempt thereof.

"(C) MANDAMUS.—Any court referred to in subparagraph (B) shall have jurisdiction to issue writs of mandamus commanding compliance with the provisions of this subsection or any order of the administering authority or the Commission made in pursuance thereof.

"(D) DEPOSITIONS.—For purposes of carrying out any functions or duties under this subsection, the administering authority or the Commission may order testimony to be taken by deposition. Such deposition may be taken before any person designated by the administering authority or Commission and having power to administer oaths. Such testimony shall be reduced to writing by the person taking the deposition, or under the direction of such person, and shall then be subscribed by the deponent. Any individual, partnership, corporation, association, organization or other entity may be compelled to appear and depose and to produce documentary evidence in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the administering authority or Commission, as provided in this paragraph.

"(E) FEES AND MILEAGE OF WITNESSES.—Witnesses summoned before the administering authority or the Commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.".

(d) Section 771 of the Tariff Act of 1930 (19 U.S.C. 1677) is amended by adding at the end thereof the following new paragraph (18):

"(18) UNITED STATES-CANADA AGREEMENT.—The term 'United States-Canada Agreement' means the United States-Canada Free-Trade Agreement.".

SEC. 404. AMENDMENTS TO ANTIDUMPING AND COUNTERVAILING DUTY LAW.

Any amendment enacted after the Agreement enters into force with respect to the United States that is made to—

(1) section 303 or title VII of the Tariff Act of 1930, or any successor statute, or

(2) any other statute which—

(A) provides for judicial review of final determinations under such section, title, or statute, or

(B) indicates the standard of review to be applied,

shall apply to Canada only to the extent specified in such amendment.

SEC. 405. ORGANIZATIONAL AND ADMINISTRATIVE PROVISIONS REGARDING THE IMPLEMENTATION OF CHAPTERS 18 AND 19 OF THE AGREEMENT.

(a) APPOINTMENT OF INDIVIDUALS TO PANELS AND COMMITTEES.—

(1)(A) There is established within the interagency organization established under section 242 of the Trade Expansion Act of 1962 (19 U.S.C. 1872) an interagency group which shall—

(i) be chaired by the United States Trade Representative (hereafter in this section referred to as the "Trade Representative"), and

(ii) consist of such officers (or the designees thereof) of the Government of the United States as the Trade Representative considers appropriate.

(B) The interagency group established under subparagraph (A) shall, in a manner consistent with Chapter 19 of the Agreement—

(i) prepare by January 3 of each calendar year—

(I) a list of individuals who are qualified to serve as members of binational panels convened under chapter 19 of the Agreement, and

(II) a list of individuals who are qualified to serve on extraordinary challenge committees convened under such chapter,

(ii) if the Trade Representative makes a request under paragraph (5)(A)(i) with respect to a final candidate list during any calendar year, prepare by July 1 of such calendar year a list of those individuals who are qualified to be added to that final candidate list,

(iii) exercise oversight of the administration of the United States Secretariat that is authorized to be established under subsection (e), and

(iv) make recommendations to the Trade Representative regarding the convening of extraordinary challenge committees under chapter 19 of the Agreement.

(2)(A) The Trade Representative shall select individuals from the respective lists prepared by the interagency group under paragraph (1)(B)(i) for placement on a preliminary candidate list of individuals eligible to serve as members of binational panels under Annex 1901.2 of the Agreement and a preliminary candidate list of individuals eligible for selection as members of extraordinary challenge committees under Annex 1904.13 of the Agreement.

(B) The selection of individuals for—

(i) placement on lists prepared by the interagency group under clause (i) or (ii) of paragraph (1)(B),

(ii) placement on preliminary candidate lists under subparagraph (A),

(iii) placement on final candidate lists under paragraph (3),

(iv) placement by the Trade Representative on the rosters described in Annex 1901.2(1) and Annex 1904.13(1) of the Agreement, and

(v) appointment by the Trade Representative for service on binational panels and extraordinary challenge committees convened under chapter 19 of the Agreement,

shall be made on the basis of the criteria provided in Annex 1901.2(1) and Annex 1904.13(1) of the Agreement and shall be made without regard to political affiliation.

(C) For purposes of applying section 1001 of title 18, United States Code, the written or oral responses of individuals to inquiries of the interagency group established under paragraph (1) or the Trade Representative regarding their personal and professional qualifications, and financial and other relevant interests, that bear on their suitability for the placements and appointments described in subparagraph (B), shall be treated as matters within the jurisdiction of an agency of the United States.

(3)(A) By no later than January 3 of each calendar year, the Trade Representative shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives (hereafter in this section referred to as the "appropriate Congressional Committees") the preliminary candidate lists of those individuals selected by the Trade Representative under paragraph (2)(A) to be candidates eligible to serve on binational panels or extraordinary challenge committees convened pursuant to chapter 19 of the Agreement during the 1-year period beginning on April 1 of such calendar year.

(B) Upon submission of the preliminary candidate lists under subparagraph (A) to the appropriate Congressional Committees, the Trade Representative shall consult with the appropriate Congressional Committees with regard to the individuals listed on the preliminary candidate lists.

(C) The Trade Representative may add or delete individuals from the preliminary candidate lists submitted under subparagraph (A) after consulting the appropriate Congressional Committees with regard to such addition or deletion. The Trade Representative shall provide to the appropriate Congressional Committees written notice of any addition or deletion of an individual from the preliminary candidate lists.

(4)(A) By no later than March 31 of each calendar year, the Trade Representative shall submit to the appropriate Congressional Committees the final candidate lists of those individuals selected by the Trade Representative to be candidates eligible to serve on binational panels and extraordinary challenge committees convened pursuant to chapter 19 of the Agreement during the 1-year period beginning on April 1 of such calendar year. An individual may be included on a final candidate list only if written notice of the addition of such individual to the preliminary candidate list was submitted to the appropriate Congressional Committees at least 15 days before the date on which that final candidate list is submitted to the appropriate Congressional Committees under this subparagraph.

(B) Except as provided in paragraph (5), no additions may be made to the final candidate lists after the final candidate lists are submitted to the appropriate Congressional Committees under subparagraph (A).

(5)(A) If, after the Trade Representative has submitted the final candidate lists to the appropriate Congressional Committees under paragraph (4)(A) for a calendar year and before July 1 of such calendar year, the Trade Representative determines that additional individuals need to be added to a final candidate list, the Trade Representative shall—

(i) request the interagency group established under paragraph (1)(A) to prepare a list of individuals who are qualified to be added to such candidate list,

(ii) select individuals from the list prepared by the interagency group under paragraph (1)(B)(ii) to be included in a proposed amendment to such final candidate list, and

(iii) by no later than July 1 of such calendar year, submit to the appropriate Congressional Committees the proposed amendments to such final candidate list developed by the Trade Representative under clause (ii).

(B) Upon submission of a proposed amendment under subparagraph (A)(iii) to the appropriate Congressional Committees, the Trade Representative shall consult with the appropriate Congressional Committees with regard to the individuals included in the proposed amendment.

(C) The Trade Representative may add or delete individuals from any proposed amendment submitted under subparagraph (A)(iii) after consulting the appropriate Congressional Committees with regard to such addition or deletion. The Trade Representative shall provide to the appropriate Congressional Committees written notice of any addition or deletion of an individual from the proposed amendment.

(D)(i) If the Trade Representative submits under subparagraph (A)(iii) in any calendar year a proposed amendment to a final candidate list, the Trade Representative shall, by no later than September 30 of such calendar year, submit to the appropriate Congressional Committees the final form of such amendment. On October 1 of such calendar year, such amendment shall take effect and the individuals included in the final form of such amendment shall be added to the final candidate list.

(ii) An individual may be included in the final form of an amendment submitted under clause (i) only if written notice of the addition of such individual to the proposed form of such amendment was submitted to the appropriate Congressional Committees at least 15 days before the date on which the final form of such amendment is submitted under clause (i).

(iii) Individuals added to a final candidate list under clause (i) shall be eligible to serve on binational panels or extraordinary challenge committees convened pursuant to chapter 19 of the Agreement, as the case may be, during the 6-month period beginning on October 1 of the calendar year in which such addition occurs.

(iv) No additions may be made to the final form of an amendment described in clause (i) after the final form of such amendment is submitted to the appropriate Congressional Committees under clause (i).

(6)(A) The Trade Representative is the only officer of the Government of the United States authorized to act on behalf of the Government of the United States in making any selection or appointment of an individual to—

(i) the rosters described in Annex 1901.2(1) and Annex 1904.13(1) of the Agreement, or

(ii) the binational panels or extraordinary challenge committees convened pursuant to chapter 19 of the Agreement,

that is to be made solely or jointly by the Government of the United States under the terms of the Agreement.

(B) Except as otherwise provided in paragraph (7)(B), the Trade Representative may—

(i) select an individual for placement on the rosters described in Annex 1901.2(1) and Annex 1904.13(1) of the Agreement during the 1-year period beginning on April 1 of any calendar year,

(ii) appoint an individual to serve as one of those members of any binational panel or extraordinary challenge committee convened pursuant to chapter 19 of the Agreement during such 1-year period who, under the terms of the Agreement, are to be appointed solely by the Government of the United States, or

(iii) act to make a joint appointment with the Government of Canada, under the terms of the Agreement, of any individual who is a citizen or national of the United States to serve as any other member of such a panel or committee,

only if such individual is on the appropriate final candidate list that was submitted to the appropriate Congressional Committees under paragraph (4)(A) during such calendar year or on such list as it may be amended under paragraph (5)(D)(i).

(7)(A) Except as otherwise provided in this paragraph, no individual may—

(i) be selected by the Government of the United States for placement on the rosters described in Annex 1901.2(1) and Annex 1904.13(1) of the Agreement, or

(ii) be appointed solely or jointly by the Government of the United States to serve as a member of a binational panel or extraordinary challenge committee convened pursuant to chapter 19 of the Agreement,

during the 1-year period beginning on April 1 of any calendar year for which the Trade Representative has not met the requirements of this subsection.

(B)(i) Notwithstanding paragraphs (3), (4), or (6)(B) (other than paragraph (3)(A)), individuals listed on the preliminary candidate lists submitted to the appropriate Congressional Committees under paragraph (3)(A) may—

(I) be selected by the Trade Representative for placement on the rosters described in Annex 1901.2(1) and Annex 1904.13(1) of the Agreement during the 3-month period beginning on the date on which the Agreement enters into force, and

(II) be appointed solely or jointly by the Trade Representative under the terms of the Agreement to serve as members of binational panels or extraordinary challenge committees that are convened pursuant to chapter 19 of the Agreement during such 3-month period.

(ii) If the Agreement enters into force after January 3, 1989, the provisions of this subsection shall be applied with respect to the calendar year in which the Agreement enters into force—

(I) by substituting "the date that is 30 days after the date on which the Agreement enters into force" for "January 3 of each calendar year" in paragraphs (1)(B)(i) and (3)(A), and

(II) by substituting "the date that is 3 months after the date on which the Agreement enters into force" for "March 31 of each calendar year" in paragraph (4)(A).

(b) STATUS OF PANELISTS.—Notwithstanding any other provision of law, individuals appointed by the United States to serve on panels or committees convened pursuant to chapter 19 of the Agreement, and individuals designated to assist such appointed individuals, shall not be considered to be employees or special employees of, or to be otherwise affiliated with, the Government of the United States.

(c) IMMUNITY OF PANELISTS.—With the exception of acts described in section 777f(d)(3) of the Tariff Act of 1930, as added by this Act, individuals serving on panels or committees convened pursuant to chapter 19 of the Agreement, and individuals designated to assist the individuals serving on such panels or committees, shall be immune from suit and legal process relating to acts performed by such individuals in their official capacity and within the scope of their functions as such panelists or committee members or assistants to such panelists or committee members.

(d) REGULATIONS.—The administering authority under title VII of the Tariff Act of 1930, the United States International Trade Commission, and the United States Trade Representative may promulgate such regulations as are necessary or appropriate to carry out actions in order to implement their respective responsibilities under chapters 18 and 19 of the Agreement. Initial regulations to carry out such functions shall be issued prior to the date of entry into force of the Agreement.

(e) ESTABLISHMENT OF UNITED STATES SECRETARIAT.—

(1) The President is authorized to establish within any department or agency of the Federal Government a United States Secretariat which, subject to the oversight of the interagency group established under subsection (a)(1)(A), shall facilitate—

(A) the operation of chapters 18 and 19 of the Agreement, and

(B) the work of the binational panels and extraordinary challenge committees convened under chapters 18 and 19 of the Agreement.

(2) The United States Secretariat established by the President under paragraph (1) shall not be considered to be an agency for purposes of section 552 of title 5, United States Code.

SEC. 406. AUTHORIZATION OF APPROPRIATIONS FOR THE SECRETARIAT, THE PANELS, AND THE COMMITTEES.

(a) THE SECRETARIAT.—There are authorized to be appropriated to the department or agency within which the United States Secretariat described in chapter 19 of the Agreement is established the lesser of—

(1) such sums as may be necessary, or

(2) $5,000,000,

for each fiscal year succeeding fiscal year 1988 for the establishment and operations of such United States Secretariat and for the payment of the United States share of the expenses of the dispute settlement proceedings under chapter 18 of the Agreement.

(b) PANELS AND COMMITTEES.—

(1) There are authorized to be appropriated to the Office of the United States Trade Representative for fiscal year 1989 such sums as may be necessary to pay during such fiscal year the United States share of the expenses of binational panels and extraordinary challenge committees convened pursuant to chapter 19 of the Agreement.

(2) The United States Trade Representative is authorized to transfer funds appropriated pursuant to the authorization provided under paragraph (1) to any department or agency of the United States in order to facilitate payment of the expenses described in paragraph (1).

(3) Funds appropriated for the payment of expenses described in paragraph (1) during any fiscal year may be expended only to the extent such funds do not exceed the amount authorized to be appropriated under paragraph (1) for such fiscal year. This paragraph shall apply, notwithstanding any law enacted after the date of enactment of this Act, unless such subsequent law specifically provides that this paragraph shall not apply and specifically cites this paragraph.

SEC. 407. TESTIMONY AND PRODUCTION OF PAPERS IN EXTRAORDINARY CHALLENGES.

(a) AUTHORITY OF EXTRAORDINARY CHALLENGE COMMITTEE TO OBTAIN INFORMATION.—If an extraordinary challenge committee (hereinafter referred to in this section as the "committee") is convened pursuant to article 1904(13) of the Agreement, and the allegations before the committee include a matter referred to in article 1904(13)(a)(i) of the Agreement, for the purposes of carrying out its functions and duties under Annex 1904.13 of the Agreement, the committee—

(1) shall have access to, and the right to copy, any document, paper, or record pertinent to the subject matter under consideration, in the possession of any individual, partnership, corporation, association, organization, or other entity,

(2) may summon witnesses, take testimony, and administer oaths,

(3) may require any individual, partnership, corporation, association, organization, or other entity to produce documents, books, or records relating to the matter in question, and

(4) may require any individual, partnership, corporation, association, organization, or other entity to furnish in writing, in such detail and in such form as the committee may prescribe, information in its possession pertaining to the matter.

Any member of the committee may sign subpoenas, and members of the committee, when authorized by the committee, may administer oaths and affirmations, examine witnesses, take testimony, and receive evidence.

(b) WITNESSES AND EVIDENCE.—The attendance of witnesses who are authorized to be summoned, and the production of documentary evidence authorized to be ordered, under subsection (a) may be required from any place in the United States at any designated place of hearing. In the case of disobedience to a subpoena authorized under subsection (a), the committee may request the Attorney General of the United States to invoke the aid of any district or territorial court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence. Such court, within the jurisdiction of which such inquiry is carried on, may, in case of contumacy or refusal to obey a subpoena issued to any individual, partnership, corporation, association, organization, or other entity, issue an order requiring such individual or entity to appear before the committee, or to produce documentary evidence if so ordered or to give evidence concerning the matter in question. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(c) MANDAMUS.—Any court referred to in subsection (b) shall have jurisdiction to issue writs of mandamus commanding compliance with the provisions of this section or any order of the committee made in pursuance thereof.

(d) DEPOSITIONS.—The committee may order testimony to be taken by deposition at any stage of the committee review. Such deposition may be taken before any person designated by the committee and having power to administer oaths. Such testimony shall be reduced to writing by the person taking the deposition, or under the direction of such person, and shall then be subscribed by the deponent. Any individual, partnership, corporation, association, organization or other entity may be compelled to appear and depose and to produce documentary evidence in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the committee, as provided in this section.

SEC. 408. REQUESTS FOR REVIEW OF CANADIAN ANTIDUMPING AND COUNTERVAILING DUTY DETERMINATIONS.

(a) REQUESTS FOR REVIEW BY THE UNITED STATES.—In the case of a final antidumping or countervailing duty determination of a competent investigating authority of Canada, as defined in article 1911 of the Agreement, requests by the United States for binational panel review under article 1904 of the Agreement shall be made by the United States Secretary, described in article 1909(4) of the Agreement.

(b) REQUESTS FOR REVIEW BY A PERSON.—In the case of a final antidumping or countervailing duty determination of a competent investigating authority of Canada, as defined in article 1911 of the Agreement, a person, within the meaning of article 1904(5) of the Agreement, may request a binational panel review of such determination by filing with the United States Secretary, described in article 1909(4) of the Agreement, such a request within the time limit provided for in article 1904(4) of the Agreement. The receipt of such request by the United States Secretary shall be deemed to be a request for binational panel review within the meaning of article 1904(4) of the Agreement. Such request shall contain such information and be in such form, manner, and style as the administering authority shall prescribe by regulations. The request for such panel review shall not preclude the United States, Canada, or any other person from challenging before a binational panel the basis for a particular request for review.

(c) SERVICE OF REQUEST FOR REVIEW.—Whenever binational panel review is requested under this section, the United States Secretary shall serve a copy of the request on all persons who would be regarded as interested parties to the proceeding if the determination in question had been made under title VII of the Tariff Act of 1930.

SEC. 409. SUBSIDIES.

(a) NEGOTIATING AUTHORITY.—

(1) The President is authorized to enter into an agreement with Canada, including an agreement to amend the Agreement, on rules applicable to trade between the United States and Canada that—

(A) deal with unfair pricing and government subsidization, and

(B) provide for increased discipline on subsidies.

(2)(A) The objectives of the United States in negotiating an agreement under paragraph (1) include (but are not limited to)—

(i) achievement, on an expedited basis, of increased discipline on government production and export subsidies that have a significant impact, directly or indirectly, on bilateral trade between the United States and Canada; and

(ii) attainment of increased and more effective discipline on those Canadian Government (including provincial) subsidies having the most significant adverse impact on United States producers that compete with subsidized products of Canada in the markets of the United States and Canada.

(B) Special emphasis should be given in negotiating an agreement under paragraph (1) to obtain discipline on Canadian subsidy programs that adversely affect United States industries which directly compete with subsidized imports.

(3) The United States members of the working group established under article 1907 of the Agreement shall—

(A) consult regularly with the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) regarding—

(i) the issues being considered by the working group, and

(ii) as appropriate, the objectives and strategy of the United States in the negotiations, and

(B) beginning in January 1990, submit an annual report to such Congressional Committees on the progress being made in the negotiations to obtain an agreement that meets the objectives described in paragraph (2).

(4) Notwithstanding any other provision of this Act or of any other law, the provisions of section 151 of the Trade Act of 1974 (19 U.S.C. 2191) shall not apply to any bill or joint resolution that implements an agreement entered into under paragraph (1), unless the President determines and notifies the Congress that such agreement—

(A) will provide greater discipline over government subsidies and no less discipline over unfair pricing practices by producers than that provided by the agreements described in paragraphs (5) and (6) of section 2 of the Trade Agreements Act of 1979 (the Subsidies Code and Antidumping Code), respectively, taking into account the effects of the Agreement, and

(B) will neither undermine such multilateral discipline nor detract from United States efforts to increase such discipline on a multilateral basis in, or subsequent to, the Uruguay Round of multilateral trade negotiations.

(b) IDENTIFICATION OF INDUSTRIES FACING SUBSIDIZED IMPORTS.—

(1) Any entity, including a trade association, firm, certified or recognized union, or group of workers, that is representative of a United States industry and has reason to believe that—

(A)(i) as a result of implementation of provisions of the Agreement, the industry is likely to face increased competition from subsidized Canadian imports with which it directly competes; or

(ii) the industry is likely to face increased competition from subsidized imports with which it directly competes from any other country designated by the President, following consultations with the Congress, as benefitting from a reduction of tariffs or other trade barriers under a trade agreement that enters into force after January 1, 1989; and

(B) the industry is likely to experience a deterioration of its competitive position before rules and disciplines relating to the use of government subsidies have been developed with respect to such country;

may file a petition with the United States Trade Representative (hereafter referred to in this section as the "Trade Representative") to be identified under this section.

(2) Within 90 days of receipt of a petition under paragraph (1), the Trade Representative, in consultation with the Secretary of Commerce, shall decide whether to identify the industry on the basis that there is a reasonable likelihood that the industry may face both the subsidization described in paragraph (1)(A) and the deterioration described in paragraph (1)(B).

(3) At the request of an entity that is representative of an industry identified under paragraph (2), the Trade Representative shall—

(A) compile and make available to the industry information under section 305 of the Trade Act of 1974,

(B) recommend to the President that an investigation by the United States International Trade Commission be requested under section 332 of the Tariff Act of 1930, or

(C) take actions described in both subparagraphs (A) and (B).

The industry may request the Trade Representative to take appropriate action to update (as often as annually) any information obtained under subparagraph (A) or (B), or both, as the case may be, until an agreement on adequate rules and disciplines relating to government subsidies is reached.

(4)(A) The Trade Representative and the Secretary of Commerce shall review information obtained under paragraph (3) and consult with the industry identified under paragraph (2) with a view to deciding whether any action is appropriate under section 301 of the Trade Act of 1974, including the initiation of an investigation under section 302(c) of that Act (in the case of the Trade Representative), or under subtitle A of title VII of the Tariff Act of 1930, including the initiation of an investigation under section 702(a) of that Act (in the case of the Secretary of Commerce).

(B) In determining whether to initiate any investigation under section 301 of the Trade Act of 1974 or any other trade law, other than title VII of the Tariff Act of 1930, the Trade Representative, after consultation with the Secretary of Commerce—

(i) shall seek the advice of the advisory committees established under section 135 of the Trade Act of 1974;

(ii) shall consult with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives;

(iii) shall coordinate with the interagency committee established under section 242 of the Trade Expansion Act of 1962; and

(iv) may ask the President to request advice from the United States International Trade Commission.

(C) In the event an investigation is initiated under section 302(c) of the Trade Act of 1974 as a result of a review under this paragraph and the President, following such investigation (including any applicable dispute settlement proceedings under the Agreement or any other trade agreement), determines to take action under section 301(a) of such Act, the President shall give preference to actions that most directly affect the products that benefit from governmental subsidies and were the subject of the investigation, unless there are no significant imports of such products or the President otherwise determines that application of the action to other products would be more effective.

(5) Any decision, whether positive or negative, or any action by the Trade Representative or the Secretary of Commerce under this section shall not in any way—

(A) prejudice the right of any industry to file a petition under any trade law,

(B) prejudice, affect, or substitute for, any proceeding, investigation, determination, or action by the Secretary of Commerce, the United States International Trade Commission, or the Trade Representative pursuant to such a petition,

(C) prejudice, affect, substitute for, or obviate any proceeding, investigation, or determination under section 301 of the Trade Act of 1974, title VII of the Tariff Act of 1930, or any other trade law.

(6) Nothing in this subsection may be construed to alter in any manner the requirements in effect before the enactment of this Act for standing under any law of the United States or to add any additional requirements for standing under any law of the United States.

SEC. 410. TERMINATION OF AGREEMENT.

(a) IN GENERAL.—If—

(1) no agreement is entered into between the United States and Canada on a substitute system of rules for antidumping and countervailing duties before the date that is 7 years after the date on which the Agreement enters into force, and

(2) the President decides not to exercise the rights of the United States under article 1906 of the Agreement to terminate the Agreement,

the President shall submit to the Congress a report on such decision which explains why continued adherence to the Agreement is in the national economic interest of the United States.

(b) TRANSITION PROVISIONS.—

(1) If on the date on which the Agreement should cease to be in force an investigation or enforcement proceeding concerning the violation of a protective order issued under section 777(d) of the Tariff Act of 1930 (as amended by this Act) or a Canadian undertaking is pending, such investigation or proceeding shall continue and sanctions may continue to be imposed in accordance with the provisions of such section.

(2) If on the date on which the Agreement should cease to be in force a binational panel review under Article 1904 of the Agreement is pending, or has been requested, with respect to a determination to which section 516A(g)(2) of the Tariff Act of 1930 (as added by this Act) applies, such determination shall be reviewable under section 516A(a) of the Tariff Act of 1930. In the case of a determination to which the provisions of this paragraph apply, the time limits for commencing an action under section 516A(a)(2)(A) of the Tariff Act of 1930 shall not begin to run until the date on which the Agreement ceases to be in force.

TITLE V—EFFECTIVE DATES AND SEVERABILITY

SEC. 501. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the provisions of this Act, and the amendments made by this Act, shall take effect on the date the Agreement enters into force.

(b) EXCEPTIONS.—Sections 1 and 2, title I, section 304 (except subsection (f)), section 309, this section and section 502 shall take effect on the date of enactment of this Act.

(c) TERMINATION OF PROVISIONS AND AMENDMENTS IF AGREEMENT TERMINATES.—On the date on which the Agreement ceases to be in force, the provisions of this Act (other than this subsection and section 410(b)), and the amendments made by this Act, shall cease to have effect.

SEC. 502. SEVERABILITY.

If any provision of this Act, any amendment made by this Act, or the application of such a provision or amendment to any person or circumstances is held to be invalid, the remainder of this Act, the remaining amendments made by this Act, and the application of such provision or amendment to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, August 3, 1988, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 1½ hours and the gentleman from Illinois [Mr. CRANE] will be recognized for 1½ hours.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 5090 approves and makes changes in United States laws necessary or appropriate to implement the United States-Canada Free Trade Agreement. This agreement, signed by President Reagan and Prime Minister Mulroney on January 2 of this year, after 3 years of negotiations, represents an historic achievement in international trade relations. It is one of the most comprehensive trade agreements ever negotiated and creates one of the world's largest internal markets between the two nations that exchange more goods and services annually than any other two nations in the world.

This implementing legislation also represents the culmination of an extensive process involving eight committees in the House and five committees in the Senate, working with the administration to review the agreement and to develop the amendments needed in U.S. laws for implementation. As in the past, the bipartisan cooperative effort between the Congress and the executive branch prior to introduction of H.R. 5090 on July 26 demonstrates the success of the so-called fast track procedure under House and Senate rules for consideration and approval of international trade agreements. I want to congratulate Secretary Baker and U.S. Trade Representative Clayton Yeutter, as well as the staffs of the USTR and other agencies involved, for their success in negotiating this agreement and developing this bill in partnership with the Congress.

The major features of this bill are the phased elimination of all tariffs by both countries on bilateral trade within 10 years and the progressive elimination of many other customs barriers. Canadian duties are currently triple the average level of United States tariffs on dutiable imports from Canada.

At the same time, in order to permit adjustment of United States industries to any increased competition, H.R. 5090 authorizes the imposition of safeguard measures if imports from Canada are injurious to United States producers. The United States also preserves its right under existing laws to impose antidumping and countervailing duties on imports from Canada that are dumped or subsidized and injurious to United States industry, as well as to use other trade remedy laws against unfair trade practices. The enactment of rules of origin and provisions for their enforcement by the United States Customs Service in H.R. 5090 ensure that the benefits of preferential tariff and other treatment provided by the United States under the agreement will accrue only to Canada, not to third countries through transshipments or other circumvention.

Another major feature of H.R. 5909 is the implementation in U.S. law of the provisions that substitute binational panel review from judicial review by either country's courts in cases involving final antidumping or countervailing duty determinations. This unique new system, plus the provisions in the agreement for dispute settlement, are designed to minimize and resolve bilateral controversies before they escalate to political conflicts. The bill establishes a procedure for the Committee on Ways and Means and the Senate Committee on Finance to review and consult with the U.S. Trade Representative on potential candidates for binational panels, in order to ensure selection of the most highly qualified individuals for this important function.

H.R. 5090 also implements various provisions in the agreement to liberalize bilateral trade barriers affecting particular economic sectors. The bill exempts some agricultural products from import restrictions under certain conditions; permits exports to Canada of Alaskan oil; exempts Canadian uranium from United States enrichment restrictions; waives Buy American restrictions on certain Government procurement from Canada; provides for temporary entry of business persons; and extends financial services.

I recognize that some Members are disappointed that the agreement did not go far enough in dismantling Canadian barriers to United States exports. I, too, would like to see the dismantling of all trade barriers. However, I believe that this agreement represents a substantial advance toward the establishment of conditions of free trade between the United States and Canada. This implementing legislation, therefore, looks forward as well to further progress in dismantling bilateral trade barriers by providing a strong mandate for the President to negotiate in areas not sufficiently covered or addressed in the present agreement. The objectives include more effective disciplines on Government subsidy practices, a higher North American content rule of origin requirement for automotive products, further reductions in barriers to investment, services, and procurement, and greater protection of intellectual property rights. Any such future trade agreements involving changes in U.S. domestic laws would be subject to consultations with Congress and approval of implementing legislation.

Finally, while Congress approves the agreement and accompanying statement of administrative action in this implementing legislation, the bill makes certain that the United States will not implement the benefits for Canada until Canada has completed the necessary parliamentary procedures to reciprocate benefits for the United States, on or after January 1, 1989.

The agreement and implementing legislation have received thorough and careful consideration by eight committees of the House. The bill addresses most of the concerns raised by Members of Congress or the private sector that the agreement either did not go far enough toward creating bilateral free trade or might create increased competition for certain domestic industries. H.R. 5090 is a balanced bill that fully implements and is consistent with the agreement, at the same time it safeguards and furthers U.S. domestic interests. It deserves the strong support of this House and the Senate.

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Mr. Chairman, I reserve the balance of my time.

Mr. CRANE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have before us today the most important trade bill of this Congress, if not the past several Congresses. It is proof that despite the difficult economic challenges we have faced in international trade over the past few years, the underlying basis of a dynamic economy is free trade. Two of the largest, most diverse and economically progressive countries in the world have taken another step forward by opening their borders to each

other and by achieving disciplines in a wide range of new trade-related arenas.

The U.S. Trade Representative has provided us an impressive array of statistics that demonstrate why this agreement is so important.

In 1987, for example, total bilateral trade in goods and services between the United States and Canada exceeded $166 billion, making these two countries the largest trading partners in the world.

The United States exports over twice as much in merchandise to Canada, a land of 26 million people, than it does to Japan, with its population of 120 million.

The United States sells 24 percent of its total merchandise exports to Canada. Canada supplies 17 percent of goods imported by the United States.

The United States purchases 76 percent of Canada's exported goods, and the United States supplies 68 percent of Canadian imports.

United States-Canada trade in energy was $9 billion in 1987 including crude oil, petroleum products, natural gas, electricity, coal, and uranium.

Total bilateral foreign direct investment exceeds $68 billion.

Over 1,400 United States business affiliates of Canadian companies employ over 527,000 workers in the United States.

These statistics demonstrate the vast potential for economic expansion and growth under this historic agreement. In addition to the expected gains from the elimination of all tariffs over a 10-year period, provisions of the agreement in nontariff areas such as energy, Government procurement, services, investments, and intellectual property rights will provide the bedrock for long-term mutual benefits. Expanded two-way trade and investment can create millions of new jobs, increase opportunities for both Canadians and Americans and greatly enhance the prosperity of both nations.

We can look at the example of other existing free trade areas to get an indication of the potential benefits of this agreement covering much larger economies. The creation of the European Economic Community affords the most appropriate example. From 1959 to 1969, the period when all EC tariffs were eliminated, trade within the EC rose 347 percent, about three times higher than outside the EC. After Great Britain entered the EC in 1973, its exports to other member states grew by 28 percent per year for a 10-year period; imports from EC partners rose by 24 percent. Both Spain and Portugal have shown even greater trade expansion since their recent entry into the EC. Also, two-way trade between Australia and New Zealand has nearly doubled since 1983 when they reached an accord liberalizing trade between them.

Former Secretary of the Treasury James Baker, who was instrumental in finalizing the negotiations between our two countries, has called the agreement "truly a win-win enterprise * * * by opening markets and establishing rules of fair play across a wide range of economic activity, we can achieve better prices for consumers and businesses and create major commercial and investment opportunities." He went on to say that the agreement reaffirms "that the United States and Canada are not only geographic neighbors, but most special economic neighbors as well." The successful conclusion of this agreement, with its wide-ranging provisions, supports his words.

In addition to the reduction of tariffs already mentioned, the United States-Canada agreement provides numerous improvements in the nontariff area. For example, the agreement establishes detailed rules of origin designed to properly identify those products of Canadian and United States manufacture. Although necessary to ensure that the benefits of the pact are not extended to noncontributing countries, the new definitions of origin signal a more effective method of determining such rules among all trading partners.

Similarly, the new dispute-settlement procedures worked out between Canada and the United States hopefully will result in more effective and more timely resolutions to trade disputes that can be translated to the multilateral process. It remains for the Uruguay round of multilateral trade negotiations now underway in Geneva to take full advantage of the example the United States and Canada have set in this and many other areas.

Although the GATT is still arguing over what can be properly addressed by that international body, this bilateral agreement has boldly addressed sectors of growing trade importance such as services, trade-related investment and intellectual property rights. Furthermore, the agreement provides secure, fair access to Canadian energy supplies, even in times of shortage; removes virtually all existing discrimination by Canada against United States financial institutions as well as significantly liberalizing Canada's foreign investment regime; improves the rules under which bilateral auto trade is conducted; limits agriculture and other subsidies; removes meat import quotas; improves mutual procedures for setting technical standards; and enhances the applications.

When speaking before the Canadian Parliament last year, President Reagan referred to the open border between our two countries as a border that stands as a demonstration of more than a century and a half of friendship, a border that has been called a lesson of peace to all nations. President Reagan celebrated the border as a concrete, living lesson that the path to peace is freedom, that the relations of free peoples—no matter how different, no matter how distinct their national characters—those relations will be marked by admiration, not hostility.

This agreement has proved the President right. It is the crowning achievement of this President and his administration who provided the leadership and of the Congress that provided guidance, advice, and support. We can all take pride in this agreement. We must oversee it with care in the years to come and work hard to ensure for all our citizens its full potential.

I urge my colleagues to wholeheartedly support H.R. 5090, implementing the United States-Canada Free-Trade Agreement.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). The gentleman from Illinois [Mr. CRANE] has consumed 7 minutes.

Mr. GIBBONS. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. RODINO], the chairman of the Committee on the Judiciary.

Mr. RODINO. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the committee for having done such an excellent job on the free trade agreement between the United States and Canada. It is important legislation. There were some questions as to the constitutionality and the committee reviewed them, went over them with the members of the executive branch and appropriate Members of the Congress and appropriate committees of the Congress and I believe that everything is in order insofar as we can determine.

Mr. Chairman, I rise in support of H.R. 5090, legislation to implement the United States-Canada Free-Trade Agreement. The Committee on the Judiciary favorably reported H.R. 5090, by voice vote, on August 2, 1988.

One of the primary issues of Judiciary Committee jurisdiction in the free trade agreement and the implementing legislation is the creation of a binational panel review mechanism. Under current law, all initial review of agency determinations involving antidumping and countervailing duty matters is conducted by the Court of International Trade. The free trade agreement eliminates this jurisdiction, and any subsequent appellate court jurisdiction for reviewing antidumping and countervailing duty determinations involving Canadian goods.

Similarly, under the free trade agreement, Canadian judicial review of antidumping and countervailing duty

determinations involving United States goods is eliminated. Instead, the free trade agreement creates a panel, composed of United States and Canadian citizens, which will review agency determinations involving United States or Canadian goods. A panel reviewing a U.S. agency determination must apply U.S. law.

The Committee on the Judiciary believes it is constitutional for judicial review of antidumping and countervailing duty determinations involving Canadian goods to be eliminated and replaced by this binational panel system. Substantial oral and written testimony supporting this conclusion was received by the Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice as part of its hearing on April 28, 1988. Prof. Andreas F. Lowenfeld of the New York University School of Law advised the subcommittee that:

Decisions of the Department of Commerce of the U.S. International Trade Commission in antidumping and countervailing duty cases need not be subject to judicial review by a United States court established under article III of the Constitution.

Similarly, Prof. Louis Henkin of the Columbia University School of Law wrote the subcommittee that:

The Constitution does not require any review of duty determinations; if review is provided, the Constitution does not require that it be by an article III court or by any court. Congress can provide for review by a nonofficial body, so long as the review is in accord with standards set by Congress and the means for selecting the body and its procedures are reasonable and fair.[1]

Once the free trade agreement and accompanying implementing legislation are approved by Congress and signed by the President, the decisions of the binational panels are binding on the United States as a matter of both domestic and international law. The panels will be applying international law.

Some have raised a question as to whether the binational panels and extraordinary challenge committees create a problem under the appointments clause of the Constitution on the grounds that panelists who were not officers of the United States would be exercising significant authority pursuant to the laws of the United States. The Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice received substantial expert testimony that no appointments clause problem is raised. Professor Lowenfeld of the NYU School of Law stated that:

Though the binational panels to be created pursuant to the free trade agreement have adjudicatory functions, I do not believe they would be exercising the judicial power of the United States, and I do not believe that it is consistent with the concept of international dispute settlement to regard either the panels themselves or their U.S. citizen members as Officers of the United States.

Similar testimony was received from Prof. Harold Bruff of the University of Texas Law School, Joseph P. Griffin on behalf of the section of international law and practice of the American Bar Association, Professor Henkin of Columbia Law School, and the Committee on International Trade of the Association of the Bar of the city of New York.

The committee agreed that no appointments clause problem is raised. The binational panels are established to implement the FTA, an international law agreement. The panelists will apply international law under the FTA. As testimony indicated at the subcommittee hearing, the authority that will be exercised by panelists will be authority pursuant to international law, not pursuant to the laws of the United States.

Ever since the 1795 Jay Treaty[2] between the United States and Great Britain created an international arbitral panel to resolve boundary claims between the United States and Canada in binding fashion, the United States has frequently participated in the creation of international bodies—whose members are not executive officers—to resolve disputes on a binding basis. The Iran-United States Claims Tribunal formed in 1981[3] to resolve claims of United States nationals against Iran, and claims of Iranian nationals against the United States, was such a binational tribunal. Other examples of United States participation in international arbitral bodies that rendered binding decisions, whose members were not executive officers—and whose members were not all U.S. citizens—include: First, the Binational Tribunal established between the United States and Spain by treaty in 1819 to resolve boundary disputes concerning cessation of Florida to the United States;[4] second, Boundary Commission set up by the United States and Great Britain in 1903 to resolve boundary disputes involving Alaska;[5] and third, Binational Tribunal between the United States and Mexico established by the Claims Agreement of July 4, 1868 to resolve certain disputes.[6]

As stated by Prof. Harold H. Bruff at the subcommittee hearing, the case of Buckley versus Valedo:

Should not be read to condemn this history, or to require formal appointment of the arbitrators to Federal office. Since a central function of the appointments clause is to allow executive supervision of officers, such appointments would either be inconsistent with the arbitral role, or would needlessly trivialize the appointments clause.

As Prof. Lois Henkin testified to the Subcommittee on Courts, Civil Liberties and the Administration of Justice, once the FTA is approved by Congress and signed by the President, it will be the "law of the land, equal in authority to any act of Congress or treaty of the United States". No further statutory direction is necessary in legislation for the President to implement the "law of the land." Article II, section 3 of the Constitution already requires the President to "take care that the laws be faithfully executed."

The FTA will be adopted by Congress through implementing legislation and signed into law by the President. As acknowledged in a letter I received dated May 24, 1988, from the Department of Justice, the President will be found to implement binational panel decisions as a matter of international law. It is well established that international law is a part of the law of the United States.[7]

Accordingly, the committee is convinced that there is no appointments clause problem with the binational panels and the extraordinary challenge committees, or with the implementation of their decisions without Presidential involvement, as provided for in new section 516A(g)(7)(A) of the Tariff Act of 1930 added by H.R. 5090. Direction need merely be given, as it is in the new section, to the appropriate administering authority or the International Trade Commission, as appropriate, to implement a panel or committee decision remanding a determination.

Additionally, new subsection (g)(7)(A) provides certainty that panel and committee decisions will in fact be implemented. This is a point that is very important not only to Canada in the context of this FTA, but also to countries that may wish to enter into free trade negotiations with the United States in the future. If a precondition of implementing a panel or committee decision was the President's acceptance of the decision, there would be no assurance to Canada that

[1] See also *Cary* v. *Curtis*, 44 U.S. 236 (1846); *Murray's Lessee* v. *Hoboken Land & Development Co.*, 59 U.S. 272 (1855); and Ex Parte Bakelite, 279 U.S. 438 (1929), which support the contention that Congress can authorize nonarticle III tribunals to hear matters involving "public rights," and that antidumping and countervailing duty matters are such public rights.

[2] Treaty of Amity, Commerce and Navigation, Between His. Britannick Majesty, United States-United Kingdom, 8 Stat. 116, Treaty Series 105. The Treaty was implemented by a statute that appointed commissioners to a binational panel, 1 Stat. 523.

[3] Settlement of Claims Agreement, January 19, 1981.

[4] Treaty of Amity, Settlement and Limits Between the United States and his Catholic Majesty, United States-Spain, 8 Stat. 252, Treaty Series 327.

[5] United States-United Kingdom, 32 Stat. 1961, Treaty Series 419.

[6] The Supreme Court in *Frelinghuysen* v. *Key*, 110 U.S. 63 (1884) recognized that a decision by this tribunal was binding upon the U.S. Government.

[7] See, e.g. "The Paquete Habana," 175 U.S. 677, 700 (1900); *Perry* v. *U.S.*, 294 U.S. 330 (1935).

panel or committee decisions would in fact be carried out by the United States. Such a requirement would not bode well for prospects of future trade agreements.

The provisions set forth in new section 516A(g)(7)(A) of the Tariff Act of 1930, as added by the implementing legislation, are constitutionally sufficient to implement the decisions of binational panels and extraordinary challenge committees. However, the committee acknowledged the concerns of the administration about the impact on the FTA in the unlikely event that this new implementing subsection is held to be unconstitutional. While the committee and the many experts consulted believe that new subsection (g)(7)(A) of section 516A of the Tariff Act of 1930 is constitutional, the committee did not want the success of the FTA to be endangered in the unlikely event subsection (g)(7)(A) is held unconstitutional by the Supreme Court. Accordingly, a fallback provision has been included in the implementing legislation mandating Presidential acceptance, in whole, of a binational panel or extraordinary challenge committee decision as a prerequisite for administering authority or International Trade Commission implementation.

The administration has stated its intent to accept every panel or committee decision. Should this fallback position, included in the legislation as new subsection (g)(7)(B) of 516A of the Tariff Act of 1930, become operable, the administration has represented in its statement of administrative action that "an Executive order will provide for the President's acceptance, on behalf of the United States, in whole, of any decision of a panel or committee under the agreement." Therefore, even in the unlikely event that this fallback provision becomes operable, all binational panel or extraordinary challenge committee decisions will be implemented, providing certainty to our Canadian partner.

The inclusion of a fallback provision in a statute is extremely unusual. It has been included because of the uniqueness and importance of the FTA and the importance of implementation of panel and committee decisions to the FTA. The committee agreed with the administration's point in the statement of administrative action that "uncertainty—no matter how brief in time—about whether or how such decisions are carried out by the agencies to which they are remanded could jeopardize the success of the agreement."

Another provision in H.R. 5090 reviewed by the Judiciary Committee is section 307, which impacts upon the immigration laws. I believe that this provision is fairly modest when you consider that the FTA directs the United States to provide for the temporary entry of Canadian business persons and at the same time mandates that the United States not impose a labor certification requirement or otherwise make the admission of a Canadian dependent on the lack of availability of a United States employee. Now this is not the type of road I think we should be traveling down, and I have always been of the view that labor market tests are vitally important. But the issue here is not whether we agree or disagree with all the provisions of the FTA, but whether H.R. 5090 is a reasonable way to implement the FTA, and I think it is.

Essentially, the only significant change to the immigration laws made by H.R. 5090 is that Canadian professionals will be allowed to enter under a new and separate category of law. And though this may give some of us pause for concern, I think the reporting requirements contained in the statement of administrative action will give the Congress sufficient information and opportunity to monitor and, if necessary, change the program.

Mr. GIBBONS. Mr. Chairman, I thank the gentleman from New Jersey.

Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to thank the distinguished chairman of the Committee on the Judiciary on this, his final year as a Member of Congress and for his distinguished service over so many years. This is a fitting cap to his service. One of the most important pieces of this trade legislation is the dispute settlement mechanism that was handled by his committee.

Mr. Chairman, this is an historic piece of legislation and will go a long distance in helping us solve our international disputes.

Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. PEASE]. The gentleman from Ohio is a distinguished member of our Committee on Ways and Means and of our Trade Subcommittee, and he has contributed greatly to this legislation.

Mr. PEASE. Mr. Chairman, I rise in support of the United States-Canada Free-Trade Agreement implementing bill. While my support is not unqualified, I believe that on balance the agreement is in the interest of the Nation and my congressional district.

Lower Canadian tariffs and enhanced United States Energy security are the major advantages of the agreement. In the long run, the United States and Canadian economies should become more efficient and productive as a result of the agreement.

Nevertheless, our negotiators left some important business unfinished. automobile trade accounts for the lion's share of our economic relations with Canada. While I recognize that the agreement's auto provisions represent an improvement over the status quo, I strongly believe that they fall far short of remedying the Government-engineered advantages enjoyed by the Canadian auto industry.

The 1980's have seen virtually every major foreign competitor establish assembly operations on this continent. Most of these operations import most of their components. As a result of the growing capacity in the industry, North American producers face a tremendous shakeout in the next several years. The free trade agreement can either mitigate or aggravate this shakeout depending on the incentives it provides for transplant assemblers to buy major components in North America.

As it now stands, the agreement does not provide adequate incentives for auto assemblers to source production locally. Indeed, cars assembled in Canada with foreign engines and transmissions may be able to be imported into the United States duty free under the current terms of the agreement.

The benefits of free trade should be conferred upon products that are essentially North American, not foreign. For this reason, I authored a package of provisions in this bill that are designed to continue and leverage United States efforts to increase the agreement's incentives for auto assemblers to source supplies of components in North America. My provisions seek a better deal for American autoworkers and companies. I am supporting the free trade agreement in part because I have been assured by the administration that it will diligently pursue the negotiations, and exercise the leverage created by these provisions, to increase the percentage of North American content that would be required for duty-free entry of cars assembled in Canada and brought into the United States. Because of those assurances by the administration, because I think that this agreement in the long-run will benefit both the United States and Canada, I stand and urge its support.

Mr. CRANE. Mr. Chairman, I yield such time as he may consume to our distinguished minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. I thank the gentleman for yielding to me, particularly in view of the number of members from the Committee on Ways and Means waiting to speak who have primary responsibility in this area, and I appreciate the time that he has allotted.

Mr. Chairman, this bill implements what is truly an historic agreement. It is my privilege to have joined the majority leader, TOM FOLEY, in initially introducing this measure here in the House.

The United States and Canada represent the world's largest trading partnership, as the gentleman from Illi-

nois made so clear in his remarks. This free trade agreement will ultimately establish the largest free trade zone in the world. Estimates are that the agreement will eventually add 1 percent to our Nation's gross national product which will lead to the creation of substantial numbers of new jobs.

□ 1230

The reduction of tariffs will result in increased sales of United States products in Canada and lower prices to consumers in this country.

It is, therefore, an agreement that is good for the United States, it is good for Canada, and it is good for my home State of Illinois. It has been endorsed by our Governor and by our Illinois State senate, and little wonder, because my home State of Illinois does over 6 billion dollars' worth of business with Canada every year.

Our State's auto and heavy manufacturing industries will benefit from the lower tariffs and other reduced restrictions. Caterpillar, for instance, if I might use the parochial point of reference again, tells us that motor graders entering Canada are subject to a 10-percent tariff currently while motor graders entering this country from Canada are subject to only a 2-percent tariff. The elimination of the 10-percent tariff will reduce the price of the motor graders by $15,000, taking the standard model out there today, thus improving Cat's competitive position in Canada vis-a-vis other nations.

That is just one example. Obviously, increased sales in Canada mean more manufacturing jobs for my workers in the Peoria area.

This agreement also paves the way for reduced trade obstacles in the field of agriculture. In this year, an abnormal year, with heavy drought and crop losses of phenomenal volumes, there may be a tendency not to think about new markets. Nevertheless, we must look to the future, and when we are out there growing everything we are capable of growing, this is certainly going to lead to improved Canadian markets for our farmers.

True free trade works to the benefit of all countries, and I believe this agreement moves a long way in this direction.

Mr. Chairman, I want to commend both our administration and the Congress for the cooperative attitude they have displayed in working out the implementing language. That attitude has enabled us to come to the floor today in a bipartisan spirit, thus moving the legislation along in a very expeditious manner. This is a good agreement, and I strongly urge its adoption.

Mr. GIBBONS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I take the floor at this time to talk about this agreement. This agreement is not a free trade agreement; it is a freer trade agreement.

This agreement between these two sovereign states is not perfect, but nothing is perfect when we have to deal with two sovereign states and their wishes. This agreement will make the North American market work much better than it would work without this agreement. This is a beginning, not an interim measure nor an end. This is the beginning of a better relationship, a better economic political, and social relationship with the people on the North American Continent. This agreement is perhaps a precursor of other bilateral agreements that the United States may wish to work out. Some have suggested that we work them out with Mexico, others with Japan, and others with certain nations and with other peoples on the European Continent. All these things are worthwhile, and all of these things we can do, but no one should suggest that it would be as easy to deal with the rest of the world as it is to deal with our friends and neighbors in North America, the Canadians.

The Canadians are wonderful people. They have a great heritage. They are proud of their heritage and of their culture. They have been good friends of ours because of our background, and we have been good friends of theirs because of the same mutual reasons.

So it is appropriate that good neighbors who live next to one another, friends of long standing, work out such an agreement as the one we have here. It is not the end; it is only the beginning of a better relationship.

One of the most historic features of this agreement is the dispute settlement mechanism contained in it. For years we have looked across the border at each other and have had concerns about how disputes were being settled. I had the privilege of meeting for many, many years with our Canadian friends, and I know there have been many disputes that have been on the burner for a long time that have never gotten settled. Where we have had trade disputes such as countervailing duty suits and antidumping suits, there has been suspicion about whether or not the law was fairly applied, whether the facts were all looked at with objectivity. This agreement for the first time—and this alone would make this an historic agreement—provides a splendid mechanism on which we can on a bilateral basis decide these dispute settlements. The gentleman from New Jersey in his address outlined the details of how the mechanism would work. If for no other reason than that, this agreement is worth the approval of the House of Representatives.

But there is much in here besides that. There is over a 10-year period a vast reduction in the tariff and nontariff barriers that exist between these two trading partners. Some of it is phased in, some of it is immediate. But it will mean that our economics will mesh together and work together to produce economic growth and economic prosperity for both of us.

This agreement must still be ratified by the Government of Canada. It has been approved, because when the Canadian Prime Minister agreed to it, he approved it for his government, but the implementing legislation is still pending in the Canadian Parliament. We in the United States are going ahead to ratify and approve this prior to the Canadian's action to show them our good will and to say that while we know that it is a big step for them, we are willing to meet them more than halfway by preceding them in the ratification of this agreement.

So we look forward with a great deal of positive thought to the approval of this agreement. Of all the things of an historic nature that have happened in this Hall within the last few years, certainly the ratification of this agreement would rank near the top of those historic steps. Nothing could mean more to the future of the North American Continent than this Agreement and the continuation of the good will that brought it about.

Mr. CRANE. Mr. Chairman, I yield 5 minutes to the distinguished ranking minority member of the Committee on Foreign Affairs, the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Chairman, this legislation, H.R. 5090, must be passed in order to implement the United States-Canada Free-Trade Agreement. The agreement is of great importance to the United States and Canadian economies, and will benefit consumers and businesses in both of our countries.

Over the last 8 years the United States has been forced to reevaluate many aspects of its trade policy, from competitiveness to protectionism. Under the burden of huge deficits, uncompetitive prices and unfair practices abroad, the administration has achieved encouraging results. The U.S. monthly trade deficit, though still substantial, is decreasing.

The United States economy has continued to grow at a healthy rate over the past few years and now, just as economists are saying that maintaining this growth will require an export oriented United States economy, the United States and Canada have concluded an agreement that will offer ample opportunity for both to expand their export markets.

The part of H.R. 5090 under the jurisdiction of the Foreign Affairs Committee changes United States law to

allow the export of 50,000 barrels per day of Alaskan North Slope oil to Canada. In return, the United States will receive "national treatment" toward Canadian oil supplies. This will provide United States consumers with equal access to Canadian oil in time of a worldwide shortage. The Foreign Affairs Committee, in reporting out this provision with unanimous support recognizes the advantages of a free and unrestricted policy on the trade of U.S. petroleum supplies.

Although not a remedy for all trade problems between the United States and Canada, the free trade agreement does go a long way in reducing unfair practices. It will lead to the elimination of all tariffs on bilateral trade between the United States and Canada over a 10-year period, significantly liberalize opportunities for investment and for service industries in the two countries, assure the United States continued access to Canadian energy supplies, and establish a binational panel to resolve future trade disputes.

I feel that the benefits of the agreement in its totality outweigh any shortcomings. Fair competition for U.S. industry will help move this Nation forward into the 21st century as an efficient and prosperous economic power.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Chairman, I rise in opposition to the United States-Canada Free Trade Agreement [FTA].

I believe that many regions of the Nation and segments of the economy will benefit from the FTA. Moreover, I know that the chairman of the Subcommittee on Trade and the chairman of Ways and Means have worked long and hard to see this agreement become reality, and I commend their efforts. I am very grateful for their cooperation in my efforts to address several concerns in the agricultural area. As a result of my negotiations with the administration and the support of the Ways and Means Committee certain elements of the FTA dealing with wheat have been improved.

Nevertheless, I still see basic problems with the FTA and must share my deep concerns about issues that are important to North Dakota. I realize that agriculture makes up just 2 percent of the total trade between the United States and Canada, but, in North Dakota agricultural trade is the foundation of the economy. I should also note that my State shares a 300-mile border with Canada. The Subcommittee on Trade of Ways and Means held a hearing in Fargo, ND, earlier this year at which representatives of wheat, sugar beets, corn, and barley came forward to express their views on the FTA. They and I both believe that there is a lack of balance in certain provisions. In some instances, the FTA will place American producers at a substantial disadvantage in competing with their Canadian counterparts.

I'd like to highlight for my colleagues the special concerns of North Dakota wheat producers. As background, the United States does not import a lot of wheat in relation to the amount it produces. But, virtually all of the wheat we do import comes from Canada. Moreover, imports of Canadian wheat have increased in recent years. In 1983-84 imports of Canadian wheat were 9,000 metric tons and for the 1987-88 year were about 400,000 metric tons. The varieties of wheat most affected by the FTA are high-protein Hard Red Spring and pasta-making Durum wheat which are the backbone of the North Dakota economy.

What are the current policies regarding the wheat trade between the United States and Canada? First, the Canadian marketing system differs considerably from that in the United States. The most obvious difference is the monopoly export powers enjoyed by the Canadian Wheat Board [CWB], in contrast to the market competition among private and cooperative exporting firms in the United States. Second, the Canadians have a longstanding subsidy of rail rates for certain grain shipments, and the average benefit of these subsidies, called Crow's Nest rail subsidies, is about 50 cents per bushel. Third, the United States border is generally open to Canadian wheat. However, the Canadian border is largely closed to American wheat. Canada restricts the importation of wheat through an import licensing system that currently bans imports of wheat.

Why are North Dakota wheat farmers concerned about the free trade agreement? First, while the FTA did away with Canadian transportation subsidies for grain shipments to be exported out of western ports, it retained the subsidies for grain positioned at Thunder Bay on Lake Superior. Thus, Canadian wheat will continue to have this 50-cent-per-bushel subsidy advantage as it moves into American markets.

Second, the Canadian Wheat Board will continue to have monopoly control over the volumes of wheat shipped to the United States and under the FTA Canada will be able to continue its import licensing system until "support levels" in both countries become equal. The result is that the Canadians will continue to use their import licensing system against American wheat until some uncertain date in the future.

Third, significant flows of Canadian spring wheats could disrupt the premiums for high-protein wheat that exist in the United States. Canadian wheat could be drawn into this country because our markets provide greater rewards for high-protein wheat than exist under the governmentally administered Canadian market system.

How have additional problems with the FTA been addressed? There were a number of ambiguities in the FTA, particularly with regard to section 22, that worried many producers. I am pleased that the administration agreed to some clarifications that favorably resolve many of the ambiguities surrounding section 22 and some other issues. These assurances do not guarantee that the FTA won't hurt North Dakota farmers, but they do mean that our producers will have access to many of the same trade remedies, such as section 22, that are available now.

While the Crow's Nest rail subsidy issue has not been resolved, I am pleased that the implementing legislation before us today includes my provision that the administration enter into immediate negotiations with the Canadians to bring about an end to this subsidy for eastern bound shipments positioned at Thunder Bay and subsequent export to the United States. This offers some hope that the subsidy problem will be given attention.

Let me conclude by saying that there are a number of other concerns I have with the FTA. There are other commodities that will be put in a more precarious position, and unfair Canadian competition in the energy area will continue under the FTA. As many of my constituents look at it, the free trade agreement will mean that America's market will be more open to certain Canadian commodities, and the Canadian border will remain closed for the foreseeable future to certain American commodities. There's a basic imbalance in certain provisions of the FTA that I cannot ignore. For these reasons, I must cast a vote against the United States-Canada Free-Trade Agreement.

□ 1245

Mr. CRANE. Mr. Chairman, I yield as much time as he may consume to the gentleman from Nebraska, [Mr. BEREUTER] our distinguished colleague on the Committee on Ways and Means.

Mr. DAUB. Mr. Chairman, I thank the gentleman from Illinois [Mr. CRANE], my good friend and colleague, member of the Subcommittee on Trade and Committee on Ways and Means, for yielding me this time. I certainly want to doff my hat to the chairman of the committee, to our ranking member, particularly to the gentleman from Florida [Mr. GIBBONS] and the gentleman from Illinois [Mr. CRANE] for the shepherding of this very important and, I think, historic agreement to this point for our consideration here today. I think as well we should remember the very im-

portant work done by Secretary of the Treasury Baker and especially, and I am particulary pleased to give this accolade, to the trade ambassador, Clayton Yeutter, who is a Nebraskan and someone who has worked very hard and helped to bring together the diverse interests and to organize the thoughts that were necessary to bring these negotiations to a conclusion between these two countries.

Mr. Chairman, remember that this is not a treaty. It is often referred to as a treaty; it is not. It is an agreement, and the reason it has to go to both the United States and Canadian legislative bodies for approval is because the agreement changes the statutes of each country, and the tariff rules and regulations and customs duties that are collected, and so for that reason we must approve this United States-Canadian Free Trade Agreement which H.R. 5090 implements.

Mr. Chairman, I think it is the most important bilateral trade agreement that the United States has ever undertaken. This agreement is a critical span on the bridge Ronald Reagan has wanted to build since the 1970's when he called for a united North American economy. It may well prove to be one of his most enduring legacies.

Mr. Chairman, the agreement is a vital step in advancing North America's competitive abilities particularly as we face an economically united Europe or the prospects of it in 1992.

It is also vital for the success of the new general agreement trade and tariff round, the GATT round.

The importance of the agreement to these negotiations is obvious. If two major trading nations with close cultural and economic links like the United States and Canada cannot agree to reduce trade barriers, what chance will most of the rest of the world have engaged in such an endeavor?

Most agricultural interests agree that the direction the agreement sets for trade expansion is correct and that the agricultural concessions made by both sides, although limited, are balanced.

Even though many farm problems remain, the administration's clarifications of many of these issues have gone a long way to ensure that producers of wheat, eggs, pork, cattle, corn, sugar beets, and dry edible beans are not drenched in a sea of underpriced Canadian commodities, that forgoing of the Canadians by the crow's nest rail subsidies to the west, although they still exist for commodities moving eastward, is a concession, I think, that together with the 5-year agreements and other things will give us a chance to monitor the impact on bilateral agricultural impact in the future.

Although the direct impact on agriculture is limited, the long-range importance of the accord to the industry is not. If the new GATT round is endangered by a failure of this free trade agreement, so too then would be the fundamental trade objectives of American agriculture. Those critical objectives are a reduction of worldwide barriers to farm exports and an end to the subsidy shoot out in which the only winners are giddy, greedy buyers happily snatching up commodities below the cost of production.

Mr. Chairman, if we are to achieve these objectives in the world trade talks, we have to get this agreement in place. I urge the adoption of this agreement and the implementing legislation by my colleagues today.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. FLORIO].

Mr. FLORIO. Mr. Chairman, I rise in support of H.R. 5090, the bill to implement the United States-Canada Free-Trade Agreement. Not only does this agreement represent a historic turn in our relations with Canada, but it also gives United States service and manufacturing industries new market opportunities that should boost American competitiveness worldwide.

Although the United States and Canada share the longest nonmilitarized border in the world and are each the other's most important trading partner, past attempts to open up trade between the two countries have most often failed. Canada, fearful that its economy and culture would become dominated by large American companies and institutions, has established high tariff, as well as nontariff, barriers to limit the market penetration of United States firms.

Yet, the United States and Canada remain very much dependent on each other for trade. In 1986, the United States accounted for almost 70 percent of all Canadian imports and 80 percent of all Canadian exports. Between 1980 and 1986, United States exports to Canada grew by almost 30 percent, and Canadian exports to the United States actually doubled.

My State of New Jersey is even more dependent on Canada's export market than the United States as a whole. In 1984, almost 30 percent of all New Jersey's manufactured exports went to Canada. An estimated 22,000 residents of New Jersey had jobs producing goods for export to Canada.

Under the agreement, key New Jersey industries—such as chemicals, computers, plastics and telecommunications—should soon have greater access to the Canadian market. High Canadian duties on computers will be eliminated immediately by the agreement. Duties on large telephone switching equipment will be phased out over a 3-year period. Duties on chemicals, telecommunications equipment, furniture and aftermarket automotive parts will be eliminated over a 5-year period. And, duties on plastics, one of New Jersey's two most important export products, are scheduled to be terminated over a 10-year period.

Although this agreement does not go as far as we would like in some areas, the legislation commits our Government to continue negotiations to get more favorable agreements in the future covering auto trade, investment and intellectual property. Furthermore, the administration has committed itself to increase enforcement efforts at the border to ensure that Canada fully complies with concessions won in the area of auto trade, which accounts for one third of all our trade with Canada. In addition, the administration will review Canada's duty remission programs for autos to determine whether they constitute an unfair trade practice under United States trade law.

But, New Jersey's service firms, as well as manufacturing firms, stand to gain from the agreement. United States service firms will have far greater access to Canada's deregulated financial services market under the agreement than is true now. Business travel to the United States should also increase as a result of provisions of the agreement. New Jersey's insurance, bank and securities firms will now be able to engage in a broad range of financial services that Canada has prevented these firms from entering previously.

New opportunities for New Jersey's manufactured goods should bring about a narrowing of the State's $2.6 billion trade deficit with Canada last year. And, expanded access to Canada's insurance and other financial services market should increase our country's $11.3 billion surplus in trade in services with Canada still further.

But, I believe the agreement will prove to have more than marginal significance for the trade accounts of Canada and the United States. Instead, I believe the agreement will be a major boost to United States competitiveness. With foreign goods and services claiming more and more of the U.S. market, U.S. firms must find new markets for goods and services that have been displaced by these imports.

The free trade agreement gives United States firms an advantage in the Canadian market over firms from any other country. This advantage will give United States firms market strength in Canada that should lead to increased competitiveness in other world markets as well.

Mr. Chairman, I urge my colleagues to vote for H.R. 5090.

Mr. CRANE. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. FRENZEL], our colleague on the Subcommittee on Trade and the Committee on Ways and Means.

Mr. FRENZEL. Mr. Chairman, I would like to begin my presentation by congratulating all of the people who have been involved on both sides of the border in negotiating this agreement and in working toward congressional and parliamentary ratification.

I think that many of us often overlook the troops in the trenches. I particularly would like to call attention to Ambassador Peter Murphy, whose lonely job it was to engage in most of the negotiations right up the very end of the process with his Canadian counterpart. Peter did, I think, an extraordinary job of trying to defend U.S. interests while at the same time promoting economic activity on both sides of the border.

I would like to congratulate Ambassador Holmer and Counsel Bello of the USTR's office, Ambassador Yeutter and, of course, the others who came into the negotiations later, like Secretary Baker.

On the congressional side, particularly in this House, I do not see how this House could handle trade affairs without the steady hand of the gentleman from Florida [Mr. GIBBONS]. I think Members do not understand the burden under which he has labored handling a number of major bills including the omnibus trade bill and this bill, at the same time trying to keep an eye on the Uruguayan round negotiations.

To understand how much work and ability that takes requires more time than we have available today. Nevertheless, I do want to congratulate the gentleman from Florida and his excellent staff who have had more work than ordinary mortals should have to handle, and have handled it extraordinarily well.

Next I would like to move to the scope of the job. We have had some comment about this agreement, some critical comment, which says, "Well, it isn't really a free trade agreement. Why didn't you do it all?" I suppose that many people do not realize that the two-way trade between the United States and Canada is the greatest between any two countries ever in the world. We are the two largest trading countries with each other in the world, and, when one thinks of all of the difficulties that are involved in that trade, running from agriculture to sophisticated manufactures, to services, to investment, that is an awful lot of trade to liberate.

Mr. Chairman, what the negotiators did, of course, was to start by saying, "Let's go to the near-term objective"; that is, getting rid of all the tariffs." And, over 10 years, this agreement does get rid of the tariffs, an enormous step forward. It also eliminates a number of other barriers to trade.

Yes, the critics are correct. It does not eliminate all trade barriers. We do not have a pure free trade agreement before us. But we have a huge step forward, which I will describe in macroeconomic terms a little later.

In addition, Mr. Chairman, we have provided in this agreement a way to improve the agreement. If we can find industries on both sides of the border, and I am advised we have already found some, who wish to accelerate the withering away of tariffs in faster than the 5- or 10-year phases that are available, we will be able to get rid of them sooner, even before the agreement is ratified.

We are also carrying on a good deal of the agricultural negotiations between our countries in the Uruguayan round in the GATT. We expected that we are going to equalize those subsidies on both sides of the border, that we are going to provide for freer trade between our countries, but that is going to come later.

So, not only have we provided a good agreement to begin the process, but we have provided ways in which we can improve on that agreement as our countries progress along the way.

Now, the agreement eliminates the goods and services that move between our two countries under tariff. Canadian goods moving into the United States face an average tariff, of those that are subject to any tariff, at all of about 4 percent. Our goods moving into Canada face an average tariff of around 9 percent. The Canadians are giving a little more on the tariff side than we are. On the other hand, for 10-year products they are giving it rather slowly. And, on the third hand, of course, the Canadians are getting better access to the largest, most succulent market in the entire world.

So I think, Mr. Chairman, on the basis of the tariff giveaways we have a pretty good even score on both sides. What those tariff reductions mean in terms of GNP is even more startling.

We have Canadian studies that indicate Canadians stand, through the 10-year program, to be able to increase their GNP by somewhere between 1½ percent and 10 percent. I do not believe it is possible to get to the high end of that range, but just think of improving GNP by that enormous amount.

On the U.S. side, we have estimates that run around 1 percent, many of them a little less. Now let us take a 1-percent increase. That would mean $740 additionally to every family in the United States. Not a bad return for a little agreement that is going to make almost everybody happy.

There are also estimates that it will increase our exports by many billions of dollars. There is one estimate that calls for a job increase in the United States of a half million to three-quarters of a million jobs. And remember it looks to us like the increases in Canada will be more. Of course Canada, being a smaller economy, will have smaller gains, but the percentage increase will be greater.

Mr. Chairman, that is the benefit that will occur on both sides of the border. Remember that while economic activity increases and while jobs increase, costs to consumers go down unless an industry can be found that is thoroughly monopolized, in which case the monopoly operators may be able to hold these duties that would be otherwise passed on to the consumer. But, in the opinion of most competent economists, most of those cost savings will be passed on to consumers.

Investments on both sides of the border are going to be opened up. Canadian investment in the United States is less than United States investment in Canada. But the difference is not comparable to the size of the economies. In fact, Canada is doing a better job of United States investment than we are doing of Canadian investment, but both of us are going to have our fortunes improved by opening up.

There have been a lot of industries who have come to the negotiators and to the Congress and have said, "Hey, this agreement doesn't give me my heart's desire. It does not do everything I wanted." We have had critics, particularly in agriculture and auto parts and the extractive industries who have said, "You didn't improve my position the way I wanted you to," and yet I think in all of those cases, with the possible exception of uranium, their lots were improved, and there is a good prospect in the future for future improvement.

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I refer, of course, to the statements of the gentleman from Ohio [Mr. PEASE] with respect to auto parts, of his hopes for the future, and my own hopes for continued improvement in the agricultural trade between our two countries and others.

So we are brought to a situation where not only in specific commodities, but more generally, everyone has a chance to profit from this particular bill.

We have that bill that should please all those folks who come around here and grouse and say they are for free trade, but it has got to be fair. They now have that perfect bill, that utopian bill, that does move toward free trade and does it on a fair basis between two trading partners who have had a 200-year history of very close relationships in all regards, but specifically close in commercial activity.

We have enjoyed the benefit of that 4,000-mile unguarded border. We have had the benefits of being together in war and peace. We have had the bene-

fits of sticking close together in our foreign policies and of trying to do business with each other whenever we could.

In my State, people who do not understand the pact are for it. They said that if we can't make a deal with Canada, our best and closest friend, we can make a deal with anyone. I believe we can. I believe we have done so.

We have a bill here, in short, in which everyone gains, and literally no one loses.

It seems to me that what we need to do in this House is to set the standard for ratification. I believe this bill is going to be overwhelmingly ratified in the House. If there are a couple votes against it, I will still be disappointed. I would like to see everyone vote for it. I think the other body of this Congress will give it similarly a strong endorsement by voting for this bill.

In Canada, things are a little more uncertain. There are opponents to the bill up there who are trying to slow it down or to defeat it. In my opinion, those people are not listening to the economists, but I am not going to try to set Canadian internal policy. I am going to leave that for the Canadians.

That, incidentally, is one of the good things about this bill. Canadian negotiators and United States negotiators were allowed to defend their own interests. All the U.S. laws with respect to trade relief are maintained in place. Counterpart Canadian laws are also maintained in place.

Mr. Chairman, I do not think we have ever had such a splendid opportunity and I am sure we have not had this chance in trade legislation in my time in Congress. We have a beautiful win-win situation. There is almost no way we can lose. Let us ratify this agreement by a large majority, and thereby salute those people who worked so hard on both sides of the aisle and on both ends of Pennsylvania Avenue.

I would salute the cooperative process between the executive department and the legislative department where problems were worked out very carefully, sometimes with difficulty.

I would salute the legislative process by which about 20 committees of both the House and the Senate put together this very unusual effort.

Could it be better? I suppose it could.

Is there any downside on it? Not for the United States and not for Canada. It will help us on both sides of the border to improve our economic lot.

Mr. Chairman, I urge its speedy and overwhelming affirmation.

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished gentleman from Oregon.

Mr. AuCOIN. Mr. Chairman, I appreciate the gentleman yielding to me.

Mr. Chairman, I wish to associate myself with the remarks of the gentleman who has worked tirelessly for the promotion of free trade, as has the gentleman from Florida.

Mr. Chairman, if the gentleman's time is up, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. The gentleman has as much time as he wishes. He controls the time.

Mr. FRENZEL. Mr. Chairman, I continue to yield to the distinguished gentleman for his comments.

Mr. AuCOIN. I was just complimenting the gentleman, Mr. Chairman, who has I think exhibited outstanding leadership in the promotion and advancement of free trade and resisting the temptation to erect trade barriers, which I think ultimately hurt and not help this Nation.

That same compliment could be extended to my friend, the gentleman from Florida [Mr. GIBBONS] who I think has been an outstanding leader in this field.

Mr. Chairman, I strongly support the United States-Canadian Free-Trade Agreement. It is a giant step forward toward sanity in the bilateral trade relations between two major trading partners.

In particular, I want to call to the attention of my colleagues the very important precedent that is set in this agreement by the inclusion of services, which I think sends a very real signal to the GATT negotiators that services need to be brought to the table and discussed and dealt with seriously there, because this is an area of neglect, frankly in the GATT negotiations.

I think there is a precedent here that gives momentum to those efforts in GATT, all for the greater good and glory of freer trade, not pristine free trade, but freer trade among the nations of the world. To the extent we do that, I think we enhance the wealth and the economic standing of all the countries who participate in such regimes.

I appreciate very much the gentleman yielding to me and again I associate myself with his remarks.

Mr. FRENZEL. Mr. Chairman, I thank the distinguished gentleman for his contribution. The gentleman from Oregon has been a tower of strength in the field of export expansion and increasing trade between all countries.

I would like to pick up on one of the gentleman's thoughts, and that is the message that this sends to the GATT. We cannot execute a lot of free trade agreements around the world. It is very seldom that we have a neighbor like Canada that has very similar economic conditions and a history of close and friendly associations with whom we can negotiate one of these kinds of agreements. But, the agreement itself does send a message that, if the GATT does not do the job in the Uruguay round, countries of the world will look for other ways to open up their trading systems to build a better world for all of us.

I think it is not a harsh warning to the GATT, but it is a gentle and friendly reminder.

Mr. GIBBONS. Mr. Chairman, before I yield to others, I yield myself such time as I may consume.

Let me say that the gentleman from Minnesota [Mr. FRENZEL] has just completed a very eloquent statement. I appreciate his hard studious work and selfless presentation that he makes on all these subjects. Without him, the work of this Congress would be much more difficult. He performs an invaluable service in dealing with our foreign friends.

Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. KASTENMEIER].

Mr. KASTENMEIER. Mr. Chairman, I certainly thank the gentleman from Florida for yielding this time to me. I commend him and the gentleman from Minnesota for their contribution and for their leadership in producing this particular act.

Today the House has before it an historic opportunity to ratify the United States-Canada Free-Trade Agreement [FTA]. The FTA was negotiated by the executive branch pursuant to authority from the Congress and the implementing legislation was fashioned jointly by the two branches. As the President said when he submitted this legislation:

> This Agreement sets a new standard for exemplary teamwork between the Congress and the Executive branch. The United States-Canada Free Trade Agreement provides for the elimination of all tariffs, reduces many non-tariff barriers, liberalizes investment practices, and covers trade in services. The Agreement is a win-win situation for both countries. It will create more jobs and lower prices for consumers on both sides of the border. The overall result will be increased competitiveness and a higher standard of living in both countries.

Of specific concern to the Committee on the Judiciary are the provisions of the bill relating to judicial review of countervailing duty and antidumping cases. A central feature of the negotiations and the FTA itself, was the creation of binational panels to review final decisions in these categories of tariff cases instead of resort to judicial review. The use of an international arbitration tribunal to resolve disputes has been used since the Jay Treaty of 1794. In this case the development of binational panels—consisting of two American, two Canadians and a fifth member selected by an agreement—represented an imaginative solution to a stalemate in the negotiations.

The Subcommittee on Courts, Civil Liberties, and the Administration of

Justice which I chair, undertook to examine the legal and constitutional issues posed by the binational panel process. We conducted a 1-day hearing on the subject on April 28, 1988. We heard from the administration, an academic expert and various bar groups. In addition, the subcommittee received extensive written comments from leading academic experts and other bar associations. The consensus that emerged was that the FTA is constitutional. Specifically, the binational panel process does not violate article III of the Constitution or the appointment clause. The implementing legislation resolves the due process issues concerning the FTA.

The FTA carries more than the usual presumption of constitutionality. The FTA and implementing legislation are the product of extensive discussions and dialog between the legislative and executive branches. Where Federal courts are faced with fundamental constitutional questions it is likely that the shared responsibility for tariff and foreign affairs possessed by these two branches will place the FTA on strong constitutional ground.

Article III of the constitutional grants Congress general authority to affect Federal court jurisdiction. In the case of the FTA—involving adjudication of government created "public rights"—that authority permits the removal of statutory claims from ordinary judicial review function will be performed by an international body applying international law as well as domestic law.

Substitution of panel review of the preexisting system of judicial review does not deprive anyone of due process. To the extent that the constitution requires a forum for the adjudication of constitutional claims—both facial and as applied—the implementing legislation accomplished that goal.

APPOINTMENTS CLAUSE

The FTA establishes binational tribunals to review antidumping and countervailing duty cases involving Canadian goods. A question was raised as to how decisions by the binational tribunals remanding a determination would be implemented by the appropriate U.S. administering authority or by the International Trade Commission.

The committee feels strongly that under the terms of the FTA and the accompanying implementing legislation, the decisions of the binational panels and extraordinary challenge committees are binding on the United States as a matter of both domestic and international law. Therefore, all that is constitutionally necessary in the implementing legislation is a simple grant of authority to the agencies that will carry out the panel and committee determinations.

The terms of the free-trade agreement and the accompanying implementing legislation make the decisions of the binational panels binding as a matter of international law. It is well established that international law is a part of the law of the United States. Questions were raised, however, concerning the consistency of the FTA with the appointments clause of the Constitution. Article II, section 2, clause 2 of the Constitution has been construed by the Supreme Court to require that persons "exercising significant authority pursuant to the laws of the United States" must be "officers of the United States." It has been claimed that as result of the appointments clause the panel decisions can only be implemented through a Presidential direction to the administering authorities. The argument that panel decisions cannot be implemented directly because of the presence of Canadian panelists—that is, persons not appointed under the appointments clause—is not persuasive because although the FTA incorporates United States trade law, the binational panels are set up to implement the FTA and are, thus, not charged with the enforcement or execution of United States law. If the appointments clause were read to preclude the United States from entering into international arbitration decisions, such a view would be unreasonable because no foreign government would ever agree with the imposition of a condition that all arbitrators be appointed by the United States.

The recent separation of powers cases decided by the Supreme Court have struck down acts of Congress that have attempted to assign significant authority in the enforcement of the laws of the United States to persons appointed by or under the control of the Congress. As one recent case put it, these cases involved the "aggrandizement of congressional power at the expense of a coordinate branch of government."

The court in Morrison versus Olson, a challenge to the powers of the special counsel statute based on an appointments clause claim, reiterated this point when it said:

> While the Constitution diffuses power the better to secure liberty, it also contemplates that practice will integrate the dispersed powers into a workable government. It enjoins upon its branches separateness but interdependence, autonomy but reciprocity.

A "workable government" surely encompasses the ability of the U.S. Government—acting through the representative branches—to exercise the power of a sovereign nation by entering into an agreement requiring the international arbitration of claims. As Professor Henkin, the dean of the foreign relations bar, has noted:

> Nothing in the Constitution denies the United States the power which other nations have, to participate in establishing an international tribunal, to submit to review of governmental activity by such a tribunal, and to bind the United States under international law to abide by the judgments of that tribunal * * * [such] power [is] conferred upon it by the community of states (of which the United States is a member).

The negotiation of the FTA and its implementation by legislation do not "pose a dange[r] of congressional usurpation of executive branch functions." The administration specifically requested negotiating authority with respect to tariff questions and Canada. The Congress granted such authority, the administration voluntarily entered into an agreement that set up the binational panels, and Congress must approve the implementing legislation. Specifically, the use of binational panels does not replace any executive branch function with congressional intervention; rather, it subjects the decisions of administrative entities to binding international arbitration under international law.

The constitutionality of utilizing international tribunals can also be seen from the pattern of their use throughout our history. Starting with the Jay Treaty of 1794 to the Boundary Waters Treaty with Canada in 1909 to the resolution of the Gulf of Maine dispute to the settlement of claims with Iran in 1981, the United States has resorted consistently to the use of international tribunals to adjudicate disputes. To date there have been no successful challenges to these mechanisms. Indeed, a previous challenge to international arbitration was unsuccessful. There have not been appointments clause problems with earlier binational panel tribunals. As Professor Bruff concluded:

> [Buckley v. Valeo] * * * should not be read to condemn this history, or to require formal appointment of the arbitrators to federal office. Since a central function of the Appointments Clause is to allow executive supervision of officers, such appointments would either be inconsistent with the arbitral role, or would needlessly trivialize the Appointments Clause.

The vast majority of expert witnesses who presented testimony to the Subcommittee on Courts, Civil Liberties and the Administration of Justice did not believe there was an appointments clause problem. The committee agrees with these experts that no appointments clause problem is raised.

The binational panels are established to implement the FTA, an international law agreement, and the panelists will apply international law under the FTA. Panelists will be exercising authority pursuant to international law, therefore not enforcing the laws of the United States.

As Prof. Louis Henkin has noted, once the FTA is approved by Congress and signed by the President, it will be the "law of the land, equal in authority to any act of Congress or treaty of the United States." No further statutory direction is necessary in legisla-

tion for the President to implement the "law of the land." Article II, section 3 of the Constitution already requires the President to "take care that the laws be faithfully executed."

The method chosen by the committee to implement the FTA is constitutional because it will be adopted by Congress through implementing legislation and signed into law by the President. Further, the President will be bound to implement binational panel decisions as a matter of international law. And it is well established that internatioinal law is a part of the law of the United States. For a more detailed analysis of the legal and constitutional issues, please refer to the committee report, 100-816, part IV.

In sum, the FTA is a good agreement. It furthers free trade and the implementing legislation is constitutional.

Mr. GIBBONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I am pleased to yield to the gentleman from Indiana.

Mr. SHARP. Mr. Chairman, I would like to ask the chairman of the Committee on Ways and Means a question. I have concerns about the mechanism in the legislation by which decisions of binational panels and extraordinary challenge committees created under chapter 19 of the free trade agreement are implemented. The legislation contains two provisions to implement these decisions—a primary provision, and then a fallback provision in case the primary provision is held unconstitutional. Can you tell me why the legislation contains these two provisions?

Mr. GIBBONS. Mr. Chairman, the Committee on Ways and Means believes the primary provision to implement binational panel and extraordinary challenge committee decisions contained in section 401(c) of H.R. 5090 is constitutional. We adopted a fallback provision—though we do not believe it is necessary—only to eliminate any potential problems that could conceivably arise in carrying out the binational review provisions of the free trade agreement. The committee was only willing to agree to a formulation of the fallback provision that ensures the present status of the International Trade Commission as an independent agency is preserved and not made subject to any Presidential directive. For further explanation in response to the gentleman's inquiry, though, I would defer to the gentleman from Wisconsin, the chairman of the Subcommittee, Committee on the Judiciary, since the Committee on the Judiciary shares jurisdiction over these provisions with the Committee on Ways and Means.

Mr. KASTENMEIER. Mr. Chairman, the gentleman from Indiana and the gentleman from Florida are referring to the part of section 401(c) of H.R. 5090 that adds a new subsection 516A(g)(7) to the Tariff Act of 1930 (19 U.S.C. 1516(a)).

The free trade agreement creates a binational panel system to review final antidumping and countervailing duty determinations. Once a panel has reviewed a determination by a U.S. agency, the panel's decision needs to be carried out by that agency. The legislation, therefore, must provide authority for the appropriate agency—which can either be the International Trade Administration within the Department of Commerce, or the independent International Trade Commission—to carry out or implement the panel decision.

Once the free trade agreement, statement of administrative action, and accompanying implementing legislation are approved by Congress and signed by the President, the decisions of the binational panels are binding on the United States as a matter of both domestic and international law. Members of the panel are acting pursuant to international law—the free trade agreement. Panelists are therefore not officers of the United States who exercise significant authority pursuant to the laws of the United States. Under *Buckley* v. *Valeo* (424 U.S. 1 (1976)), then, there is no need to either appoint the panelists pursuant to article II, section 2 of the Constitution—the appointments clause—or, importantly, to involve the President in the implementation of panel decisions. The Committee on the Judiciary received strong testimony supporting this conclusion from many experts. For the reasons I indicated earlier in my statement, the committee believes that all that must be included in implementing legislation to enable the appropriate U.S. agencies to carry out panel—or extraordinary challenge committee—decisions is a simple grant of authority.

New section 516A(g)(7)(A) contains this grant of authority. The appropriate administering authority or the International Trade Commission is given the power to take action to implement directly a panel decision. The committee believes that this is sufficient and constitutional.

While a question has been raised about the sufficiency of this provision under the appointments clause, both the committee and the administration—as the administration expressed in its statement of administrative action—believe that it is unlikely that this grant of authority could be the subject of a successful constitutional challenge.

The committee recognizes the importance to the free trade agreement of guaranteeing that all panel decisions are carried out. Because of this and the unique nature and importance of the free trade agreement, a fallback provision to implement panel decisions has been included in H.R. 5090. This fallback will only take effect in the unlikely event that the Supreme Court finds the primary grant of authority in the bill to carry out panel decisions to be unconstitutional.

Mr. SHARP. What is this fallback provision?

Mr. KASTENMEIER. It is the same as the primary provision, except that Presidential acceptance of a panel decision would have to occur before the appropriate agency would have the authority to implement it.

Mr. SHARP. Would the fallback provision ensure that all panel decisions are implemented?

Mr. KASTENMEIER. The fallback provision on its face does not require the President to accept every panel decision. However, the administration has represented, in its statement of administrative action, that should the fallback provision become operative—which, as I said, we believe is unlikely to occur—it will issue an Executive order stating that the President will in fact accept every panel decision. Further, the President accepts the panel decision in whole and, upon acceptance, direct implementation is required as under the primary provision. The President cannot exert any influence on the process by issuing substantive instructions to the agencies regarding their implementing action.

Mr. SHARP. Would this type of fallback provision serve as a model for future legislation?

Mr. KASTENMEIER. It does not. While the committee does not believe that the fallback provision is really necessary, the provision is being included to eliminate even the remotest possibility that a problem could be raised with this important part of the implementing legislation. The fallback provision should not be seen as a precedent for future legislation.

Mr. SHARP. I thank the gentleman. Along with Chairman DINGELL, I strongly agree with you that the primary implementing provision is constitutionally sufficient. It also protects the independence of the International Trade Commission, an independent agency within the U.S. Government. This independence would be threatened should the ITC's power to act to carry out a panel decision be subject to Presidential direction. The President should not have control over the actions of an independent agency.

Though I, like the gentleman, do not believe a fallback provision is necessary, I am comforted at least by the administration's express representation that should the fallback take effect, an Executive order will be issued stating that the President will accept every panel decision. This will eliminate the chance that there could be Presidential control over the ability

of the ITC to carry out a panel decision.

Mr. GIBBONS. Mr. Chairman, I would like to assure the gentlemen from Indiana and Wisconsin that I agree with what the gentlemen have said, and thank them for this explanation.

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Mr. Chairman, I reserve the balance of my time.

Mr. CRANE. Mr. Chairman, I yield such time as he may consume to our distinguished colleague, the gentleman from Wyoming [Mr. CHENEY].

Mr. CHENEY. Mr. Chairman, I intend to support the bill to implement the free trade agreement with Canada. I believe it will generate significant additional trade with Canada, which will translate into more jobs, more income, and a more prosperous economy in the United States.

This is one of those situations where I can cast a single vote that is both in the national interest and to the benefit of the people I represent in Wyoming. I realize that the free trade agreement is not universally praised by every sector of the economy in every corner of my State and the Nation, but the overall effect of the agreement will be positive. That is why I support it.

In 1986 Wyoming and Canada conducted almost 60 million dollars' worth of trade with each other. The balance of trade favored Wyoming, which sold about $13 million more of goods and services to Canada than it bought. Experience with trade agreements in the past has shown that they increase trade. Wyoming can expect generally improved access to markets in Canada, a country which has some of the highest tariffs in the industrialized world.

In 1986, Wyoming sold about $11 million of inorganic chemicals to Canada. The free trade agreement will help increase sales by phasing out Canadian duties. The United States Foreign Commercial Service in Canada rates sales of these chemicals as one of the best export prospects for United States firms.

As Wyoming seeks to broaden its economy, the free trade agreement will help new businesses in the State expand their markets. For example, the Brunton company of Riverton, WY, the only American company making recreational compasses, believes that the agreement could increase its sales by 10 to 15 percent. Nearby in Riverton, DH Print, a company making printer heads, is eager to see Canada lift the tariff on DH Print's products.

Western Oil Tool & Manufacturing Co. of Casper anticipates sales of $1.3 million to Canada this year of its bodies for 150-ton and 170-ton trucks. Sales of other products in previous years would undoubtedly have been higher than they were, had it not been for the 25 percent Canadian duty on WOTCO's exports. The free trade agreement would eliminate this duty, allowing the company to compete more freely in the Canadian market with its entire line of heavy equipment components.

Many agricultural groups endorse the free trade agreement, including the National Wheat Growers, The American Farm Bureau Federation, and the National Grange, because they recognize the benefits of enhanced trading opportunities between the two countries.

It is equally important to make clear what the free trade agreement will not do. Above all, the agreement will not hurt the Wyoming natural gas industry. Gas producers have complained, with good reason, about trade practices which are unfair to domestic gas producers in some U.S. markets. They are concerned about several regulations, of the Federal Energy Regulatory Commission and the Energy Regulatory Administration, which they believe discriminate against domestic gas. They have understandably used the debate over the free trade agreement to call attention to these regulations.

But it is critical to note that the only connection between unfair U.S. regulations and the free trade agreement is the timing of the debate on the two issues. Quite simply, the gas industry has held back on it support for the free trade agreement in hopes of winning concessions from U.S. regulatory agencies. The Independent Petroleum Association of the Mountain States has said clearly, "If we get the changes * * * then IPAMS would not oppose the Canadian Free Trade Agreement."

IPAMS has also noted that, "nothing in the free trade agreement itself speaks to the problems identified by IPAMS, nor requires any governmental action." To put it another way, the free trade agreement itself does nothing to change the laws or terms governing gas trade between the United States and Canada. As has been noted elsewhere, the phrase "natural gas" is not even used in the agreement.

The Oil and Gas Journal of April 4, 1988, quotes a products marketer as saying, "In many ways, the FTA constitutes a restoration of the more rational bilaterial energy policies of the 1950's and 1960's."

I support the changes in regulation which the gas industry calls for. I voted against the windfall profit tax when I first came to Congress, and have worked for its repeal. I am pleased to note that with recent passage of the trade bill, the tax will finally be wiped off the books.

I also support deregulation of natural gas, and I will continue to do all I can to bring that about.

And on the subject of U.S. regulation of natural gas, I am assured by the administration that nothing in the agreement would diminish efforts to modify two irksome FERC regulations, orders 256 and 500, which are rightly singled out as unfair to domestic gas producers.

I am satisfied that nothing in the free trade agreement would change the equation between the United States and Canada in such a way as to jeopardize the Wyoming-to-California natural gas pipeline. I note that the Casper Star-Tribune of April 21, 1988, reported that representatives of gas producing and consuming companies interested in the pipeline concluded that, "The Canada Free Trade Agreement now being considered in Congress will not have much impact on the market for Wyoming gas."

Further, the U.S. Trade Representative's office has assured me that it fully supports the pipeline and will cooperate with the State in every way possible to work toward getting the pipeline project completed successfully.

My one reservation for the agreement is with its treatment of the uranium industry. The free trade agreement would repeal certain protective provisions of law that have been on the books for the past 25 years, designed to maintain a viable domestic uranium industry.

Anyone who is familiar with the uranium and nuclear businesses knows that these are dark days for these strategic industries. The uranium industry has suffered an unimaginable 90-percent decline in employment, and most mills and mines are shut down. Demand for nuclear power is stagnant.

Nevertheless, it is just as important now as ever—perhaps more important—to maintain a viable domestic uranium industry capable of meeting strategic needs now and in the future. Even if the United States were to disarm all of its nuclear weapons and never build or license another nuclear powerplant, over 200 nuclear-powered ships in the U.S. Navy and over 100 commercial powerplants, supplying nearly 20 percent of the Nation's electricity, will continue to depend on a reliable supply of affordable uranium into the next century.

So it is vital that we replace the protections which are eliminated by the free trade agreement with other provisions suited to today's circumstances.

This means that Congress must complete action on separate legislation to maintain a viable domestic uranium industry. The Senate has already acted by attaching a uranium revitalization proposal to a House-passed bill, H.R. 1315, the Nuclear Regulatory Commission reauthorization bill. That measure now goes to a House-Senate conference committee where differences between the House and Senate versions must be reconciled. As the chief House sponsor of the uranium revitalization proposal, I will be working closely with relevant Members of both the House and the Senate to secure final action on this legislation to assure a strong domestic uranium industry.

Mr. Chairman, Wyoming is still heavily dependent on the oil and gas industry, and the free trade agreement would do nothing to harm it. At the same time, it would help open up markets for emerging Wyoming companies and industries. It would remove tariffs and encourage trade with Canada, a relationship which favors Wyoming.

At a time when Wyoming is searching for new, global markets and ways to diversify its economy, the free trade agreement sends the right message to Canada and would help clear the tangled path of trade between Canada and Wyoming.

Mr. CRANE. Mr. Chairman. I yield 6 minutes to the distinguished gentleman from New York [Mr. FISH], a member of the Committee on the Judiciary.

Mr. FISH. Mr. Chairman, the United States has a special, unique relationship with our northern border neighbor—Canada. This historic relationship is reflected in part by the fact that we were allies through two world wars and since that time have implemented mutual security agreements in

the joint defense of North America. Our friendly proximity necessitates cooperation with respect to energy policy, transportation, agricultural commodities, and environmental concerns. We are each other's largest trading partner and, in fact, have functionally interdependent economies. Finally, and perhaps most fundamentally, we share democratic values as well as cultural and ethnic origins.

Mr. Chairman, it is difficult for me to conceive of a more logical international relationship than that between ourselves and Canada as the basis for a mutual free trade pact. The United States-Canada Free-Trade Agreement [FTA] represents an economic opportunity of profound importance to the two countries involved. If adopted, this agreement will establish the largest free trade zone in the world.

The United States and Canada currently exchange more goods and services between them than any other two nations in the world—close to $160 billion annually. Canada is by far our largest trading partner and, in fact, is the fastest growing market for United States exports. In recent years, about one-quarter of all United States exports have gone to Canada. American manufactured goods exported to Canada are 20 percent higher than to the European Common Market and three times higher than to Japan, our second largest trading partner. As remarkable as it seems, our country trades more with the Province of Ontario than it does with the Nation of Japan. The implementation of the FTA can only enhance this already mutually beneficial economic relationship.

Under the terms of the free trade agreement, all ad valorem tariffs between the two countries will be removed over a 10-year period and a number of nontariff barriers are addressed as well. Importantly, the FTA is fully consistent with the obligations of both the United States and Canada under the GATT. It covers substantially all trade, and is therefore acceptable under the provisions of article XXIV of the GATT. The FTA is already being viewed internationally as creating a positive climate for further GATT negotiations.

The FTA legislation before this House reflects months of negotiations between representatives of the executive branch, Members of Congress, and relevant committee staff. Under the fast-track provisions (19 U.S.C. 2191-2194), the Congress has, at the outside, 90 legislative days within which to approve this language. If approved by the House of Representatives, the United States Senate, and the Canadian Parliament, the FTA will take effect on or after January 1, 1989.

H.R. 5090 was referred to the Committee on the Judiciary principally because of the modifications of judicial review contained in the free trade agreement and because of certain constitutional questions raised in connection with the binational review panels established by the free trade agreement. Specifically, under the free trade agreement, administrative decisions in antidumping and countervailing duty cases are made subject to review by five-person panels consisting of individuals appointed by the two countries. These binational panels—that essentially replace judicial review in the Court of International Trade and any subsequent appellate review—will be implementing international law as reflected in the text of the agreement. They will, however, be applying the laws of the country whose agency decision is being reviewed, including the existing standard of judicial review in such cases.

There are also some immigration provisions of note contained in the free trade agreement. Chapter 15 of the FTA and section 307 of H.R. 5090 provides for the temporary entry of business persons, traders and investors, professionals and intracompany transfers on a reciprocal basis while maintaining necessary provisions to ensure border security and protect domestic labor concerns.

Most of chapter 15 is consistent with existing provisions of the Immigration and Nationality Act. However, legislative action is needed to allow the admission of treaty traders and investors as nonimmigrants since, to date, Canada and the United States have never entered into a formal "treaty trader" relationship. The agreement lists the specific occupations to be covered. The United States and Canada are to establish a procedure for the annual review of the implementation of these provisions by immigration officials of both countries.

The Subcommittee on Courts, Civil Liberties, and the Administration of Justice of the Judiciary Committee held a hearing on April 21 of this year, principally focusing on the binational review mechanism. I am satisfied, based upon the testimony from that hearing and from subsequent staff analyses, that the constitutional questions raised by the creation of the binational panels have been satisfactorily resolved.

First of all, because of the broad power that Congress has with respect to commerce and international trade, an article III—judicial—forum is not required to resolve commercial disputes arising out of dumping and countervailing duty cases. Second, the procedural due process rights of the interested persons are fully protected by the manner of appointment of the panels and the opportunity to fully participate in these proceedings.

Third, the Department of Justice raised concerns during the course of the negotiations as to whether or not the implementation of decisions by the binational panels might be inconsistent with the appointments clause of the Constitution. The language contained in H.R. 5090 reflects a compromise responding to those concerns. The language contained in the implementing legislation provides for the direct implementation of the decisions of the panels by the International Trade Commission or the International Trade Administration. However, in the unlikely event that a constitutional challenge is successfully brought against this approach, the President is authorized to accept panel decisions "as a whole" and to assure that the ruling will be implemented.

Before closing, I want to commend the gentleman from Wisconsin, the distinguished chairman of the Subcommittee on Courts, BOB KASTENMEIER, for his leadership role in resolving these problems. In addition, I would like to express my thanks to the representatives of the administration, particularly Ambassador Alan Holmer, the Deputy U.S. Trade Representative, and Judy Bello of the U.S. Trade Representative's Office, as well as Jean Anderson, the general counsel of the International Trade Administration of the U.S. Department of Commerce, and Tom Boyd, from the Department of Justice. Finally, I also want to commend the staff of the Judiciary Committee that labored to ensure that H.R. 5090 addressed our concerns before it was even introduced. From the Subcommittee on Courts, David Beier and minority staff counsel, Joe Wolfe. From the Monopolies Subcommittee, assistant counsel Gary Goldberger and the full committee minority counsel, Alan Coffey.

Mr. Chairman, I am pleased that we are moving forward promptly on this landmark measure and firmly believe that the free trade agreement will be considered one of the foremost achievements of the 100th Congress. I strongly urge favorable action by the House of Representatives on H.R. 5090.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. LOWRY].

Mr. LOWRY of Washington. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of this implementing legislation and in support of the United States-Canada Free-Trade Agreement.

We in my State of Washington hold very favorable and endearing thoughts of our friends in Canada. We have a very close relationship, and this agreement on both sides of the border will foster opportunity and benefit our constituents on both sides of the border. I think it is a very fine thing, and I complement all of those who have worked for this, both here in the

Congress, in the administration, and in Canada.

Any agreement, of course, of this magnitude, the largest trading agreement between the largest trading partners in the world, is always going to have a few specifics that each one of us wish were different. But as a whole, it it a historic improvement and real leadership for the world. And one of the reasons it is so important that this implementing legislation pass with a good, strong vote, is to give leadership for the world to accomplish the types of trade agreements that we ought to have around the world. If the United States and Canada, with our tremendous friendship and liking for each other, cannot come up with positive approaches to trade, certainly in the rest of the world it is going to be almost impossible to do.

So both for the importance of this agreement and for the importance of the leadership role this gives to proper trade policy in the world, I urge adoption of the legislation before us. I want to particularly complement again our leadership on trade, the gentleman from Florida [Mr. GIBBONS] for the work he has done, and the minority for the work that they did on this important legislation.

Mr. CRANE. Mr. Chairman, I yield 5 minutes to our distinguished colleague, the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, I rise in strong support of H.R. 5090. This legislation, implementing the free trade agreement concluded recently between the United States and Canada, is a remarkable achievement. It may be the most protrade, projobs, procompetitive bill of our generation.

Today, we say to the doomsayers who warn that the U.S. economy is on a downward slope, who tell us Americans cannot deal decisively with a changing economy: We will prove you wrong. We will pass this bill, and in so doing affirm that Americans will not give up; that our confidence in each other is not misplaced; and that we retain the deepest hope and pride in ourselves, our Nation and our future.

During the course of this debate, and throughout the hearings that preceded it, our collegues have engaged one another on the fine points of this bill—its scope, its treatment of certain products, its timetable.

As well they should. Legislation of this magnitude demands the closest scrutiny, and H.R. 5090 has received it. It has been taken apart, inspected, and put back together again—not once, but many times. Our colleagues, many of whom have devoted considerable energy to this most worthy task, deserve our thanks for a job well done. The bill we consider today is the better for their care.

Thanks go also to President Reagan and to Prime Minister Mulroney. Through their vision and persistence, and the grace and toughness of their trade representatives, the United States and Canada succeeded in negotiating what has eluded both nations since 1851: A sweeping free trade agreement between the world's largest trading partners.

Thus, after more than a century, a bold dream is on the verge of becoming reality. That it could happen now attests to the strength of United States-Canadian relations and reflects the relative freedom that has long characterized our respective trade policies.

Historically, tariffs between the United States and Canada have generally not been excessive, and most trade is now duty free.

The free trade agreement builds on this foundation and carries it to its logical extension. It requires both countries to phase out all remaining tariff barriers by the year 2000. This will especially help United States businesses and their employees since Canada's tariffs are roughly twice as high as the United States'.

The free trade agreement will also eliminate most nontariff trade barriers, such as Canadian licensing requirements that discriminate against some United States imports. A special dispute resolution board, long sought by both nations, will be used to resolve unfair trade practices.

When fully implemented, it is estimated the agreement will increase U.S. gross national product between three-tenths and four-tenths of 1 percent. Using our 1988 GNP as a benchmark, this means a $12 to $17 billion increase in GNP and three-quarters of a million new jobs for Americans.

I am also impressed by the economic benefits this agreement will bring to Arizona. My home State ranks third in the Nation in percentage of is manufacturing produced for export. Many Arizonans have long realized the advantages of expanded trade with Mexico and the nations of the Pacific Rim. Increasingly, we are looking north as well.

Last year, Arizona exported 255 million dollars' worth of goods and services to Canada and imported about $132 million. This left us with a $120 million trade surplus. Arizona exported to Canada 57 million dollars' worth of computers, $41 million in semiconductor equipment, $27 million in aircraft engines and parts, and $9 million in navigational equipment. Canada also purchased fruits and vegetables from Arizona valued at nearly $15 million.

With the passage of this free trade agreement, Arizona can look forward to an even greater volume of trade with our Canadian friends and larger number of Canadian tourists, who already spend $300 million in our State each year.

Yet this free trade agreement is not just about Arizona or any other State. It is also about the future and America's power to shape it.

We are moving toward a competitive world economy unlike any we have ever known. Across the Pacific, Japan and the "Four Dragons"—Singapore, Hong Kong, Taiwan, and South Korea—continue to challenge us, and China is waiting in the wings.

Beyond the Atlantic, the nations of the European Community, the EC, are pressing ahead with the "Single Act," their self-imposed plan of negotiating a Western European Free Trade Agreement by 1992. A free market of 323 million Western Europeans would create an economic power larger in population than either North America or Southeast Asia.

That is the real economic future we face. Having glimpsed it, we know we cannot afford to delay. Fortunately, we are ready. We have before us a bill whose passage will let the whole world know America means business. We have before us an agreement whose success will be an example to other nations that would open their markets to us.

Just as Western Europe will soon unite, our goal must be to create a North American free market, binding together the United States, Canada, Mexico, and the nations of the Caribbean Basin in an alliance of mutually beneficial exchange.

The consummation of such a relationship may seem a distant vision to some. But is it really so far away?

The Caribbean Basin Initiative is already a success story. A United States-Canada Free-Trade agreement is today on the brink of becoming reality. Mexico joined the General Agreement on Tariffs and Trade, the GATT, in 1986. It has since slashed hundreds of trade barriers, negotiated a unique bilateral trade agreement with the United States, privatized industries and reduced limits on foreign investment.

Mexico's extraordinary progress would have been unthinkable 10 or even 5 years ago. To encourage this trend, I recently introduced legislation, House Concurrent Resolution 247, expressing the sense of Congress that the United States and Mexico should negotiate a free trade agreement, inspired by the accord we are considering today.

With plans for an economic fortress Europe underway, and with growing pressure from East Asia and the Pacific Rim, the task of building a North American free market must not be left to chance. It must be a major objective of U.S. trade policy.

By approving the United States-Canada Free-Trade Agreement, we will take another critical step in that journey. I urge Congress not just to pass

this legislation, but to do so resoundingly, and thus send a clear message to our colleagues in the Canadian Parliament that we extend our hand in partnership, not parenthood.

Finally, I call on the next President, Republican or Democrat, to use the United States-Canada Free-Trade Agreement to bring representatives from all the nations of North America to the bargaining table. Their goal should be to negotiate, within our lifetime, a North American free market. United, our continent can, and must, lead the world into the economy of the 21st century.

□ 1330

Mr. GIBBONS. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. LAFALCE], the chairman of the Committee on Small Business, a member of the Committee on Banking, Finance and Urban Affairs, and a distinguished member of the United States-Canadian Interparliamentary Group.

Mr. LAFALCE. I thank the gentleman for yielding.

Mr. Chairman, I rise in support.

Mr. Chairman, this is a historic moment for today the U.S. House of Representatives will approve the most comprehensive trade agreement in the history of the world. It is an agreement that's good for the United States, good for Canada, and good for the world.

Many individuals should be thanked for having reached the moment we are at today. I can think of a number who certainly must be mentioned: David McDonald, Chairman of the McDonald Commission in Canada, a renowned liberal within Canada and a strong proponent of this comprehensive approach and this agreement in particular. Certainly our Ambassador, Peter Murphy, and the Canadian chief negotiator Simon Riesman; our President, Ronald Reagan, and the Canadian Prime Minister, Brian Mulroney; our former Secretary of the Treasury Jim Baker and their Finance Minister, Michael Wilson; our former Secretary of Commerce Mac Baldrige and their former Minister of International Trade Patricia Carney; our Ambassador Tom Niles and their's, Alan Gottlieb; so many individuals who have spent so much time over so many years negotiating this historic accord, we would be remiss if we did not give them special thanks. It has been my pleasure and deep honor to have worked very closely with each of them on this accord.

This is a watershed moment also because we are going to vote today defining whether we want to go protectionist or whether we want to go toward more liberalized trading arrangements emphasizing fairness and competitiveness, not just in the relations between the United States and Canada, but in both our countries' relationship with the rest of the world.

Today's vote will signal the direction in which we wish to go.

This agreement can be a model, also, a model for the bilateral accords we hope to enter into with a great many other countries in the world and, even more importantly, a model for the multilateral arrangements that are being negotiated right now pursuant to the Uruguay round of the GATT negotiations.

This agreement includes many important precedents. For example, this is the first trade agreement in the world that I am aware of that deals in a comprehensive fashion with services. It is the first comprehensive agreement that contains a dispute resolution mechanism. It is the first comprehensive agreement totally eliminating all tariffs between two countries.

The U.S. House of Representatives will do its job today. We will pass this agreement overwhelmingly, and shortly the Senate will do their job. The Senate will pass this agreement overwhelmingly and President Reagan will sign this implementing legislation into law.

But then the ball will be in Canada's court. Were their House of Commons to take a vote today, I am sure that implementing legislation in Canada would also be passed overwhelmingly.

But a political football has been made of this trade agreement within Canada, and the appointed Senate is delaying their consideration of it until after an election.

This is, to my knowledge, unprecedented within the history of Canada.

Over the next several months we can expect to see much appeal within Canada to latent anti-American sentiment. There will be chauvinistic pleadings; they will be masquerading their anti-American message behind anti-free trade agreement rhetoric.

But let there be no solace taken that should this agreement be defeated that we can easily return to the status quo or that we can negotiate some multiple number of sectoral agreements.

Having come this far over so many years, having raised expectations so much, having negotiated so closely, the United States and Canada, we have now come to know the Canadian practices so well and they have come to know our practices so well.

Should this agreement be defeated, I think it is almost inevitable that there will be a major trade war between our two countries, that there will be an avalanche of unfair trading complaints brought both by Canada and the United States that will set back both our countries immeasurably.

The consequences could be catastrophic both for the United States and Canada, and also for the world.

What a terrible model that will set.

Mr. Chairman, today let us do our part within the House of Representatives; let the Senate do their part and then let us hope that the Canadians will do their part. If we all do our part, we all shall win. If any one party should decline, we all shall lose.

Mr. CRANE. Mr. Chairman, I yield 5 minutes to our distinguished colleague, the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. I thank the distinguished gentleman from Illinois [Mr. CRANE] for yielding this time to me. It is appropriate to begin by commending the distinguished gentleman from Florida [Mr. GIBBONS] for his outstanding effort in its behalf and on our side of the aisle, to commend the gentleman from Illinois [Mr. CRANE] to whom I just made reference, and the distinguished and very able gentleman from Minnesota [Mr. FRENZEL], and to other colleagues who have contributed mightily to the approval of the very good product that we have before us today. And to my fellow Nebraskan, Clayton Yeutter and especially to Chief Negotiator Peter Murphy, who carried quite a load, for him and the United States I offer my congratulations and commendations. When they began their effort I thought that it might indeed be impossible to accomplish what they have now accomplished by presenting the proposed agreement to the legislative bodies of Canada and the United States. They are certainly to be commended for their efforts as well as are their Canadian counterparts.

Mr. Chairman, on January 2, 1988, when President Reagan and Canadian Prime Minister Mulroney signed a free trade agreement [FTA], they set in motion the creation of what would then become the world's largest single market. Once ratified by the United States Congress and the Canadian Parliament, this agreement will establish a new set of rules and regulations to govern our bilateral trade. The effects of these new rules will be to increase economic growth and employment in both nations by reducing the costs of trade through the elimination of all tariffs over a 10-year period and by substantially reducing other barriers to trade.

Today, as recognized by our colleague, the distinguished gentleman from Minnesota [Mr. FRENZEL], the United States and Canada already enjoy the largest bilateral trading relationship in the world. Last year's two-way trade totaled over $130 billion, with the United States selling over $60 billion in goods and services to Canada and buying $71.5 billion in return. Almost 30 percent of this trade is in the automotive sector. Nebraska-Canada trade a year earlier totaled almost $128 million. Incidentally, while the United States ran a trade

deficit with Canada, Nebraska had a trade surplus of some $30 million. Nebraska's leading exports to Canada were agricultural machinery and motor vehicle engines and parts. Our major imports were newspaper print and wood pulp.

Canada is the largest market for United States sales abroad, absorbing a quarter of all United States exports. It is also the fastest growing market for U.S. goods. It is a much larger market for us than Japan, which occupies a very distant second place by buying $28 billion in United States products last year. In fact, our exports to Canada are about equal to our exports to all 12 nations which make up the European Community.

Although it is difficult to predict with great accuracy the precise economic benefits that will result from the agreement, the United States Department of Commerce estimates that within the first 5 years, the FTA will increase United States-Canada sales in the two nations by over $25 billion. Some economists predict that over the longterm, the FTA will increase the U.S. GNP by between $12 to $17 billion annually. This GNP growth would create between one-third and one-half million new jobs in the United States, adding to the 2 million United States jobs already dedicated to producing goods for the Canadian market. Growth in Canada is just as certain.

The first and most immediate impact of the FTA will be the 10-year phase out of all tariffs. Canadian tariffs are currently among the highest in the industrialized world, averaging about 10 percent. By contrast, U.S. tariffs average about 3 percent. Under the FTA, some articles will be eliminated immediately. Others will be phased out over 5 years at the rate of 20 percent per year, and finally, some will be phased out over 10 years at 10 percent per year.

The agreement contains a number of important provisions governing various nontariff barriers. For example, many of Canada's restrictions on foreign investment will be lifted, thereby eliminating the burden of maintaining duplicative plants on both sides of the border or of having to export certain amounts of products each year from Canada. It is especially noteworthy that this agreement provides for the first comprehensive international treatment of services that may serve as a model for negotiations now underway in the GATT. As a member of the Committee on Banking, and Finance and Urban Affairs I am pleased to note that the accord opens the Canadian financial services sector to American companies and treats United States banks, securities firms, S&L's, and, in certain instances, insurance companies, the same as Canadian firms.

The FTA also provides for a dispute settlement mechanism that is designed to equitably and rapidly resolve trade squabble. This dispute settlement mechanism may also serve as a model for the GATT. Energy provisions will allow for United States access to cheaper Canadian electricity generated by hydropower. In the automotive sector, tariffs will be phased out over a 10-year period and Canada's practice of waiving duties conditioned on using Canadian parts and components will end immediately.

The United States-Canada Free-Trade Agreement is especially important to small businesses, not only because it significantly reduces the costs of doing business between the two countries but because it streamlines customs procedures and border crossing procedures, thus easing the flow of goods and people across the border. The agreement is also particularly attractive to U.S. exporters of high technology products that typically have only a short-term marketing period before obsolescence; thus delays in penetrating foreign markets are very costly.

The FTA will have far-reaching effects on United States an Canadian trade. However, as already noted, it does not make equal progress in all sectors. For example, agricultural tariffs are phased out over a 10-year period but agricultural subsidies are not covered. Decisions on the latter are deferred to the ongoing Uruguay GATT negotiations.

Our colleagues interested in agricultural issues should take heart in the fact that Canada is a part of the Cairnes Group, nations who are generally quite sympathetic to the agricultural subsidy reforms offered in the Uruguay round of GATT as well as authoring the similar Canadian initiative on the same general subject.

However, it does eliminate the Canadian transportation subsidy on the western shipment of grain, as well as ending import licenses for wheat, barley, and oats when United States and Canadian crop supports on these grains reach the same level. It also bilaterally ends meat import restrictions.

Nebraskans will enjoy expanded trade and economic opportunities under the agreement. Manufacturers will benefit by gains in exports and consumers will benefit by paying lower prices for imports. The ease of trade will offer many Nebraska companies the chance to test an export market for the first time. Experience gained in exporting to Canada can be applied to other foreign markets.

The FTA will go into effect on January 1, 1989, if ratified by the United States Congress and the Canadian Parliament. I believe that the Congress will today overwhelmingly endorse this precedent-setting agreement. In Canada, the FTA has become the focus of a national debate on United States-Canada relations which is shaping a political consensus on this relationship. Despite the high state of political emotion in Canada, the FTA is expected to be ratified by its Parliament.

In conclusion, it is perhaps important to note that growing global economic interdependence has led to a series of trade frictions. With our huge and rapidly acquired trade deficit, we Americans correctly sense that the international rules of trade are not providing us as fair and unimpeded access to foreign markets as, in general, foreigners are given to the U.S. market. The United States-Canada Free-Trade Agreement offers us an opportunity to reduce trade barriers, increase trade, reduce costs to consumers, and make both nations more competitive with the rest of the world.

The United States and Canada share the longest undefended border in the world and a long history of friendship and cooperation for our mutual interests. To quote Shakespeare, "There is a tide in the affairs of men, which, taken at the flood, leads on to fortune." On balance, the higher trade tide under the FTA will be very beneficial to both nations.

I urge a unanimous, favorable vote for the United States-Canada Free-Trade Agreement.

□ 1345

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. GUARINI], a member of the Subcommittee on Trade and a member of the Committee on Ways and Means.

Mr. GUARINI. Mr. Chairman, I rise in strong support of the adoption of the United States-Canada Free-Trade Agreement, and I want to commend my good friend, the gentleman from Florida, Mr. SAM GIBBONS, for his invaluable contribution and for lending his talents and energies to the task of forging an agreement which will give us a better world for tomorrow.

Mr. Chairman, with this legislation we will be on our way to a freer and fairer trade with Canada. The agreement which we are helping to implement today is a truly historic agreement. It will greatly benefit both the United States and Canada. It will help promote jobs in America and in Canada. It will help United States businessmen as well as Canadian businessmen.

Canada is our largest trading partner. Our trade in goods and services exceeded $150 billion in 1986. But for too long, trade betweeen Canada and the United States has been hampered by unnecessary tariffs, quotas, and subsidies. This agreement will help our trading relationship grow unen-

cumbered by removing restrictive trade barriers.

This landmark legislation will benefit manufacturers and consumers alike. Manufacturers will benefit from greater export opportunities and more efficient business operations. Consumers will benefit from greater competition and rationalized production.

For my own State of New Jersey, the agreement will afford the opportunity for increased trade in services, increased exports of products such as chemicals, computers, and telecommunications equipment and additional investment opportunities.

For the entire United States, the agreement will increase economic growth, lower prices, expand employment, and enhance our competitiveness in the world marketplace.

By implementing this agreement, we are strengthening an already deep and growing friendship. We are broadening our economic opportunities and building jobs in both countries. We are removing barriers and helping to set the mood for future trade negotiations.

To those critics who claim this Congress is leaning toward protectionism, let this document bear testimony that we indeed seek freer trade and reduced barriers in the world today. This is truly the way for the future, for peace and better understanding for generations to follow.

We have met the challenge now, and now it is up to Canada to follow through on their part in finalizing this agreement.

Mr. Chairman, I strongly urge my colleagues to vote for this legislation.

Mr. CRANE. Mr. Chairman, I yield 4 minutes to our distinguished colleague, the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, trade agreements which reduce trade barriers between two nations sharply increase sales between each of the parties to the agreement. Consequently, the United States-Canada Free-Trade Agreement presents great opportunities for our Nation and for my great State of Michigan.

Michigan carries on more trade with Canada than any other State and does more business with Canada than Japan and the United Kingdom combined. In fact, if Michigan were a separate nation, it would be Canada's No. 2 trading partner. In fact, at least 125,000 Michigan jobs are dependent on exports to Canada.

In 1986 Canada and Michigan traded nearly 26 billion dollars' worth of commodities. Michigan exported 8.2 billion dollars' worth of goods to Canada that year, chiefly in automobile parts and industrial machinery. Michigan also imported 17.5 billion dollars' worth of commodities, including autos and manufacturing imputs such as paper, steel, and lumber.

Service trade between Michigan and Canada is also very great. Michigan probably contributes about 10 percent of the more than $25 billion annual service trade between the two countries. In a key service industry, tourism, Canadians spend approximately $70 million in Michigan each year. There are three areas where Michigan could benefit greatly from the FTA, these include:

MOTOR VEHICLE COMPONENTS

Michigan exported about $6 billion worth of these items to Canada in 1987, representing over 70 percent of exports north. Michigan's auto sector will benefit from the lowering of barriers on used motor vehicles and the restrictions on Auto Pact privileges. More benefits are likely in future years, especially if the two nations can agree on additional changes in restrictive rule-of-origin provisions.

OFFICE FURNITURE

Michigan is a leading producer of metal office furniture, employing nearly 30,000 workers. In 1986 the State sold more than $25 million in these products to Canada.

The Free Trade Agreement enhances this industry by eliminating Canadian tariffs on these products. In fact, by January 1, 1993, many duties on metal office furniture will be eliminated.

AGRICULTURE

Michigan has a strong and diverse agricultural base. My own district is a national leader in producing many fruits and vegetables. Right now the United States exports more than twice the value of vegetables to Canada than does Canada to the United States. Both countries will eliminate all horticultural tariffs within 10 years.

Mr. Chairman, I strongly support this bill, which makes necessary legislative changes in the U.S. law to implement the Free Trade Agreement. I especially want to commend my colleagues in the Michigan delegation who worked hard during the entire Free Trade Agreement negotiating process to make sure the agreement would benefit the workers and industries in Michigan.

Mr. Chairman, this Free Trade Agreement certainly follows a free but fair trade principle. It is something that all North Americans should be very proud of.

Mr. GIBBONS. Mr. Chairman, I yield such time as he may consume to the chairman of the Committee on Government Operations, the distinguished American legislator, the gentleman from Texas [Mr. BROOKS] who is the incoming chairman of the Committee on the Judiciary.

Mr. BROOKS. Mr. Chairman, I thank the gentleman for those kind words, and I rise in support of the bill, H.R. 5090.

Mr. Chairman, I rise in support of H.R. 5090—the United States-Canada Free Trade Agreement Implementation Act of 1988. The FTA is a historic agreement which provides for the elimination of all tariffs, reduces many nontariff barriers, liberalizes investment practices, and, for the first time, covers trade in services. Once implemented, it should further expand what is now the largest trade relationship in the world, amounting to over $166 billion annually in trade between our two countries.

I would like to briefly address chapter 13 of the FTA relating to Government procurement. These provisions, which are implemented by section 306 of H.R. 5090, do the following: First, they open a larger segment of each government's procurement market to full and open competition for American and Canadian suppliers. This is accomplished by lowering the threshold level on GATT government procurement code transactions from $156,000 to $25,000.

Second, in addition to lowering the threshold, Canada is required to establish a bid protest system similar to those currently in place at GAO and the GSA Board of Contract Appeals for this country's Federal procurements. This will provide a forum to United States firms for protesting any covered Canadian Government procurement which is believed to have been conducted unfairly.

Finally, a common rule of origin is established for determining whether a product is, in fact, Canadian or American. This rule is identical to that established by the Buy American Act and currently used in U.S. Government procurements.

Section 306 of H.R. 5090 makes changes to U.S. law necessary to implement the agreement's government procurement provisions. Specifically, this language amends section 308(4) of the Trade Agreements Act of 1979 to give the President authority to waive Buy American Act restrictions on code-covered procurements having a contract value exceeding $25,000. This waiver authority does not apply to other restrictions currently in place in our Federal procurement system, such as those provided by small business and minority business programs and programs for prison and blind-made goods.

Congress recently adopted the Buy American Act of 1988 (title 7 of the Omnibus Trade bill), which is aimed at ensuring that U.S. firms receive fair and equitable treatment when trying to sell their products to foreign government entities. In my view, the government procurement provisions of the United States-Canada Free Trade Agreement build on the principles of that act and should provide United States firms with expanded access to Canadian Government procurements. I urge all of you to support this legislation.

Mr. CRANE. Mr. Chairman, I yield 5 minutes to our distinguished colleague, the gentlewoman from Maine [Ms. SNOWE].

Ms. SNOWE. Mr. Chairman, I rise in opposition to enactment of the United States-Canada Free-Trade Agreement.

I certainly support the objectives of this pact to liberalize the United States-Canada trade relationship, al-

ready the largest and strongest in the world. The elimination of numerous barriers to fair trade and better prospects for the North American economy are indeed worthy goals. Both the United States and Canada, two countries whose bilateral trade relationship of $150 billion annually is the largest in the world, have something to gain.

My concern, however, is that issues of major contention for Maine and other border States have been denigrated to a lower priority level. I have stressed to U.S. trade negotiators over the past months that the concerns of industries in Maine and other border States cannot be swept aside. Our Trade Representative, Clayton Yeutter, testified to this effect: "It would be a terrible mistake," he said, "to evaluate this agreement on the basis of its impact on particular firms, industries, and States."

I strongly disagree with this sentiment. If we are not to evaluate the agreement's impact on industries and State economies, then what are we to look at?

For the Maine economy, we may well see gains from secured access to energy resources, expanded markets for numerous manufactured finished products, industrial machinery, footwear, furniture, computer equipment and service industries. Many industrial sectors may well benefit from a free trade agreement with Canada. I cannot, however, so easily excuse areas where I think we failed.

In the haste of our negotiators to push "the big picture," they have run rough-shod over the agriculture and natural resource industries in my State, and have neglected some of the State of Maine's principal concerns. Broad macroeconomic dreams and goals are fine, but we can never skip over the trade impact on individual firms. In this case, at least with the State of Maine, we may have done just that.

Because Maine borders on the eastern Canadian Provinces of Quebec and New Brunswick, I have long understood the economic relationship between the United States and Canada. Shipments of products from Canada account for 75 percent of Maine's bilateral trade with Canada. In 1986, Maine imported over $750 million in products from Canada while exporting only $257 million to Canada.

Perhaps this comparison suggests new market opportunities for Maine firms north of the border. However, this trade imbalance may indicate an erosion of competitive strength of traditional Maine industries that are forced to compete with Canadian firms along with the Canadian Government.

This agreement fails to address an issue of longstanding dispute to Maine's potato, lumber and fishing industries, three traditional sources of livelihood in my State. Canada's use of Federal and Provincial domestic subsidies has long hurt our workers competing in the Northeast United States marketplace.

This agreement, whose primary objective is to eliminate government and industry trade barriers, completely omits steps to require the Canadians to dismantle the trade-distorting effects of domestic subsidies. How could such a longstanding concern, once considered a top issue for our negotiators at the outset, be so quickly dismissed?

Our potato industry in Maine has been fighting an uphill battle for years against an array of Federal and Provincial domestic subsidies. Eighty percent of Canadian potatoes come across the Maine border for sale in our northeast markets. Canadian farmers, armed with this artificial assistance, flood and dump our home markets every season of every year.

A few years ago, Maine potato farmers watched painfully as 150 family farmers were forced to quit due to low market prices. These farmers also watched as their Canadian neighbors in New Brunswick and Quebec received over $19 million to pay for dumped potatoes due to overproduction.

In addition, while Canada regularly restricts the free flow of Maine potatoes into their markets with consigned sale and bulk shipment requirements, Canadian imports are annually targeted at our wide-open market.

Maine fishermen have endured with difficulty against 55 Federal and Provincial subsidy programs assisting Canada's groundfish industry. The assistance provided includes vessel and shipbuilding programs and a massive Government investment to reconstruct groundfish processing facilities. Canadian fishermen, selling their fish at artificially lower prices, have captured a large foothold in our targeted American market.

State sawmill owners have watched one-fourth of their brethren disappear, right along with quantities of logs from Maine woodlands. Government-modernized sawmills located right over the border in Quebec are artificially undercutting the market.

For these three Maine industries, the future under this bilateral pact is no better than the present. These workers may fairly ask, "what assurances of improvement do we have about future discussions on subsidies and other border State concerns?" My answer is "none at all."

I recognize that this agreement includes a loosely worded commitment for discussions of the subsidy discipline over the next 5 years. However, a commitment to hold more talks hardly offers even a sense of progress toward actually dismantling Canadian Federal and Provincial subsidy practices. Moreover, by ratifying this agreement, we are acknowledging the acceptance of the status quo and Canada's prevalent use of government subsidies at our expense.

I have other concerns as well with this agreement. For example, the new bilateral dispute settlement procedure for countervailing and antidumping cases raises serious questions about protecting the sovereignty of U.S. trade statutes. When U.S. industries seek trade relief under U.S. laws, they deserve the full power of our legal rights.

I believe the highest objective of the Canadians in their approach to these negotiations was to effectively neutralize the use of United States trade laws and our legal and justified right of retaliation. Now as we look back, Canada may well have succeeded.

Finally, what about the many industries that will most definitely be hurt or destroyed by the effects of the agreement? As one example, Maine's sardine industry will lose traditional tariffs while facing a new import challenge from their government-backed competition in Canada. What can this industry look forward to under this agreement?

I do want to mention that the administration has accepted provisions to the implementing legislation at the request of the Maine congressional delegation which do offer some assistance for Maine's potato industry. We hope our negotiators will pursue a bilateral volume limitation agreement with Canada on potato imports over the next several years. We have also succeeded in improving the effectiveness of the tariff "snapback" provision to protect potato producers and other agriculture industries against import surges.

The administration has also accepted provisions to enforce United States rights under the GATT governing any future actions by Canada to impose a ban on the export of unprocessed fish or the application of landing requirements for fish caught in Canadian waters.

While these measures offer some benefit for Maine's fishing and potato industries, I find the results still unacceptable. I am also disappointed that the administration removed one additional provision added by the congressional committees and supported by the Maine delegation to enhance the conservation of lobster stocks by simply applying domestic conservation size standards on imported lobsters. This was a fair request, and I share the disappointment of Maine's lobster industry that this provision is now omitted.

Mr. Chairman, I would like to think this agreement will reap mostly benefits for Maine's economy in future years. For some industries the prospects are promising for enhanced

market opportunities. But I must conclude we came up short on major issues for our agriculture and natural resource industries. This is a major disappointment.

Mr. Chairman, I rise in opposition to the proposed agreement. I do so with disappointment, and I say this to U.S. trade negotiators: The concerns of our industries, no matter how small they appear to some, cannot be so easily cast aside.

Mr. DELAY. Mr. Chairman, will the gentlewoman yield?

Ms. SNOWE. I am glad to yield to the gentleman from Texas.

Mr. DELAY. Mr. Chairman, I thank the gentlewoman for yielding, and I rise in support of the free trade agreement.

Mr. Chairman, I strongly support this free trade agreement with Canada. In my view, this agreement is one of the greatest accomplishments of this administration. It will greatly increase our global competitiveness and undoubtedly will pave the way for similar agreements with other countries.

It is easy to get caught up in the industry-specific effects of the agreements, and to pin our support or opposition on that basis. However, if each of us could look at the agreement with a national focus, we would support it unanimously.

The Department of Commerce conservatively estimates that more than 14,000 new jobs will be created in the American machinery, textile, clothing, paper, and furniture manufacturing industries. The job creation in all sectors has been estimated to be between 500,000 and 750,000 new jobs. It will be a tremendous boost to the petrochemical industry in my district. However, more important is how it will affect the average American family—the one special interest we all too often forget in this body.

The organization Citizens for a Sound Economy estimates that the agreement will result in a $740 benefit in GNP growth for each family of four in America. It will lower their food prices and their energy costs. And it will provide limitless opportunities for Americans to start new businesses and to expand existing ones in the areas of banking, telecommunications, architecture, tourism, and professional services. In short, this agreement will improve the standards of living of the vast majority of Americans.

Yet, some Members of this body will choose to oppose this agreement because it harms a particular industry in their district. If they do this, they will have to overlook the national interest in order to support their own parochial interests. I suppose this is just politics at its worst. For special or parochial interest actions usually end up hurting many more Americans than they help.

For instance, when the United States placed a punitive tariff on Canadian cedar shakes and shingles, every American home buyer suffered. When Canada then retaliated against us by placing tariffs on many other American-made goods, including computer parts and books, the workers in those industries and the consumers of those goods were harmed. Then, Canada instituted a huge tariff on corn imports which hurt American farmers and increased the use of taxpayer dollars for grain storage, price supports, and deficiency payments. The circle never ends; the tail of retaliation always comes back to sting us.

I celebrate the approval of this agreement and look forward to the boost it will bring to our economy and our people. Once again, as we did with tax reform and deregulation of major industries, we will be setting the example for nations around the world in opening up mutually beneficial free trade agreements with our trading partners.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Mr. Chairman, after months of closely examining various aspects of the proposed United States-Canada Free-Trade Agreement, I am today going to cast my vote in favor of its implementation.

For some time now I have been concerned that dramatic influxes of Canadian electricity imports into this country, such as to the degree we have witnessed in recent years, may begin to adversely effect the domestic coal mining industry and cause undue reliance on imported energy within certain regions of the country. After the proposed agreement was announced, I focused my attention on the question of whether any of its provisions would lead to a further escalation in Canadian power exports to the United States. This question, as well as whether the agreement would impact other domestic mining sectors, was the subject of a March hearing conducted by my Subcommittee on Mining and Natural Resources. Unfortunately at that time the administration witnesses were so ill-prepared to address these matters, that some nagging questions remained after the hearing.

I have since satisfied myself that this agreement will have no adverse impacts on the domestic coal mining industry. In effect, as it relates to power sales the United States-Canada Free-Trade Agreement if implemented would not change the current situation: It would neither impose nor lift any restrictions currently in place on the trade except for one. Other considerations outside of the scope of this agreement—such as the extent of electricity demand, transmission capability and environmental matters—will continue to influence the level of Canadian power being imported into the United States.

In this country, the regulation of imported Canadian electricity primarily deals with transmission. Currently, any transmission line which crosses the U.S. international border requires a Presidential permit under the Federal Power Act. The proposed agreement would not affect this permitting process. In Canada, the National Energy Board is responsible for regulatory international transmission lines and licensing electricity exports.

The National Energy Board currently enforces three price tests for these exports: the price of exported electricity cannot be less than that charged to Canadian customers, exports must recover costs incurred in Canada including the total cost of production, and the price of the electricity exported must be less than the least cost alternative available to the United States utility importing the power. All of these Canadian requirements would remain unchanged except for the last one, known as the least cost alternative test. As such, it is very possible that the price of Canadian power sold to domestic utilities could rise somewhat depending on what the market will bear.

At this time, Canada is the largest importer of United States coal in the world. Last year, the United States exported approximately 16 million tons of coal to Canada with about half that quantity used for electric generation and the other half utilized by Canadian steel mills. It should be noted that my home State of West Virginia exports about 6 percent of its total production to Canada. As with electricity, this coal trade will be unaffected by the implementation of the agreement.

To summarize, my central concern as to whether the amount of United States coal exported to Canada at some point in the future would be exceeded by the amount of domestic electric utility coal use displaced by Canadian power imports remains, but it is a matter upon which the United States-Canada Free-Trade Agreement has no bearing.

I am going to vote in favor of this agreement because West Virginia currently has a trade surplus with Canada, with exports of items such as chemical products, coal, and other commodities and goods far exceeding Canadian imports into the State. Due to this strong market position, and the agreement's removal of various Canadian trade restrictions, I believe West Virginia companies will be in the position to make further trade advances in the future.

I also believe that the agreement will provide adequate safeguards against any further Canadian subsidization of its industry. The subsidy issue will most assuredly be the subject of continued monitoring and investigation, especially due to the provisions of the implementing legislation which require the achievement of an increased discipline on Canadian subsidies.

□ 1400

Mr. CRANE. Mr. Chairman, I yield 3 minutes to our distinguished colleague on the Committee on Ways and Means, the gentleman from New Hampshire [Mr. GREGG].

Mr. GREGG. Mr. Chairman, I thank the gentleman from Illinois [Mr. CRANE], and I rise in strong support of this proposal and congratulate the chairman of the subcommittee, the gentleman from Florida [Mr. GIBBONS] for having worked with the committee to bring out this excellent proposal.

Mr. Chairman, this is a great day, not only for the United States and Canada and the moving forward of our relationships, but also for States that border Canada, such as New Hampshire, which have a long and historic tradition of trading relationship with the Canadian Government.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. GREGG. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I rise in strong support of this historic legislation (H.R. 5090) to implement the United States-Canada Free-Trade Agreement and to commend the Reagan administration for negotiating it. Canada is our largest trading partner with the annual trade volume reaching $116 billion last year. Canada buys 20 percent of all United States exports while the United States buys 75 percent of Canada's total shipments. This agreement will provide enormous benefits for both countries. It will remove tariffs over a 10-year period beginning in January 1, 1989, secure improved access to Canada's market for our manufacturing, agriculture, high-technology, and financial sectors and improve our national security through additional access to Canadian energy supplies. Furthermore, the agreement sets up a strong and expeditious dispute settlement mechanism. Disputes not resolved in consultations will be automatically referred to arbitration panels composed of neutral, independent experts on the issue.

Mr. Chairman, the United States-Canadian Free-Trade Agreement will provide new opportunities for United States business, create jobs and generally strengthen the competitive position of the United States. This agreement will have a positive effect on many California industries including manufacturing, computers, telecommunications, pharmaceuticals, medical equipment, and agricultural products including citrus and wine. This agreement is supported by the Reagan administration, U.S. Chamber of Commerce, American Business Conference, the National Federation of Independent Business and the National Association of Manufacturers. I strongly encourage my colleagues to vote for H.R. 5090.

Mr. GREGG. As I was saying, Mr. Chairman, this is a major day for not only the United States and for Canada, but for New Hampshire, and States like New Hampshire and States which have a long and colorful history of relationship with Canada. Many of our citizens in New Hampshire trace their roots back to Canadian ancestors and have for many years commuted back and forth across our borders in not only trade, but just personal and family relationships.

Mr. Chairman, this type of breaking down of the barriers, the breaking down of the trade barriers, can do nothing but help the close relationship which has evolved for years between our two nations and between the State of New Hampshire, the people of the State of New Hampshire, and the people of Canada. It is especially appropriate to New Hampshire because we export to Canada a large amount of high technology equipment, computer equipment and electronic equipment which is subject today to a fairly high duty. Under the proposal this duty will begin to phase down, and it will mean that our computer equipment and our materials which we produce in New Hampshire will be much more competitive in Canada, and our trade will continue to grow, and we will find ourselves in an even more prosperous climate than we are today.

The goods which we import from Canada are many also, and some of those are subject to duties, but the rejections of those duties will just mean that our markets will become more competitive and our consumers will have more opportunity to purchase goods at a fair price.

So, Mr. Chairman, this agreement generally is an excellent proposal. It is one which is going to go a long way toward improving the relationships between our countries, which have always been good, and toward continuing the unique relationship which States like New Hampshire and the people of New Hampshire have traditionally had with Canada.

Mr. GIBBONS. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. BONKER], who is the chairman of the Subcommittee International Economic Policy and Trade of the Committee on Foreign Affairs.

Mr. BONKER. Mr. Chairman, I would like to begin by commending the gentleman from Illinois [Mr. ROSTENKOWSKI], the chairman of the subcommittee, the gentleman from Florida [Mr. GIBBONS] for the excellent work they have done to bring this implementing bill to the House floor, and I would also like to commend those in the executive branch, notably Clayton Yeutter and Ambassador Peter Murphy for their total commitment to bringing a free trade agreement into fruition.

Mr. Chairman, along with America's growing trade deficit of recent years trade tensions have been mounting between the United States and our trading partners. When Ronald Reagan and Brian Mulroney agreed at the shamrock summit in 1985 to enter into negotiations on a trade pact, there were pending before our trade agencies over 160 cases alleging unfair trade practices. I recall at the time being involved in many of these sectoral issues like hogs and logs and suds and spuds. It certainly spanned the whole spectrum of industrial and agricultural products that seemed to plague our trade negotiators.

In 1986, Mr. Chairman, America's trade deficit with Canada was $20 billion. Now that is larger on a per capita basis than it was with Japan at the time. So obviously the time had come to set aside these trade disputes and problems and enter into an agreement that would attempt to remove all of the trade barriers so that both countries would enjoy market access.

Now what is important in this agreement is that the two countries, Canada and the United States, will phase out all tariffs over a 10-year period. As has been noted earlier, this is unprecedented that such a bilateral agreement has taken on such a comprehensive approach to trade problems. But by removing trade barriers, in this case the tariffs and some of the inspection and certification requirements, we are guaranteeing to the producers on both sides a total market access.

While 65 percent of American exports to Canada are duty-free, Canadian tariffs on the remaining 35 percent are among the highest in the industrialized world, averaging 9 to 10 percent or about double the American average. From my own State of Washington these measures will be of particular benefit to producers of paper products, furniture, electronic computers, aluminum products, wine, fruits and vegetables.

Mr. Chairman, the agreement also creates a freer climate for investment and for American service industries seeking to do business in Canada and insures continued nondiscriminatory access to Canada's energy suppliers.

Mr. Chairman, if the forecasts of economists are believed, there may be no piece of legislation before Congress this year that will have as great a permanent impact on economic growth on both sides of the border. But, Mr. Chairman, this agreement certainly does not address all of the problems that we are having with Canada. It does not address the issue of subsidies and government practices that give producers a competitive advantage in other markets. These practices will still be subject to countervailing actions by our Government, but nonetheless until both sides are able to address the problem of subsidies, notably in the agricultural areas, we are not going to have free and open trade with the other side.

But of course it is unrealistic, Mr. Chairman, to think that only two countries will enter into an agreement to do away with subsidies while other countries continue to engage in that practice. We should also recognize that this issue is very controversial on the Canadian side. Most of the provinces still are not satisfied, nor are they pleased, with the pact. And we are aware that the issue is controversial within the Canadian Government itself.

This is, I believe, the third time in the past 125 years that we have had such a trade agreement before the Congress. In 1911, when the House met to consider a similar trade agreement with Canada, Champ Clark, a Representative from Missouri who was to become Speaker of the House, delivered what may have been the most counterproductive statement of support ever given in this body when he was quoted as saying that he was all for the trade agreement because he had hoped to see the day when the American flag would fly over every square foot of the British North American possessions clear to the North Pole. That was not a wise statement, the result of which is that it precipitated the defeat of the agreement in the Canadian Parliament.

Mr. Chairman, I want to make it abundantly clear that this trade agreement is fair to both sides, and I urge its adoption.

Mr. CRANE. Mr. Chairman, I yield 3½ minutes to the gentleman from Minnesota [Mr. STANGELAND].

Mr. STANGELAND. Mr. Chairman, I thank the gentleman from Illinois [Mr. CRANE] for yielding the time.

Let me first of all say that I would expect that this agreement is going to pass. Let me also say that I am of very mixed emotions on the agreement.

Mr. Chairman, I know that many of my colleagues have stood here in the well and extolled this agreement as a great step forward in trade between ourselves and our good friends to the north. The address has been to tariff barriers. The address has been to subsidies, as the previous distinguished gentleman from Washington [Mr. BONKER] alluded to in agricultural products.

But, Mr. Chairman, there is another issue, and I would hope that once this agreement is ratified that the Committee on Ways and Means would spend a tremendous amount of time in studying these nontariff barriers.

For years we have had our pork products banned from exportation into Canada because we used pharmaceuticals for herd health that Canada had banned. We had a very difficult time in moving live cattle into Canada because Canada required certain tests that we did not require for diseases that we did not have.

I am going to site for my colleagues an example that will give them total evidence of what I am talking about for the future, and it is a case that Monsanto had, and I am not here defending Monsanto, but I use it as an example.

Monsanto produces a commodity known as Lasso, which is a postemerge/preemerge herbicide for corn and soybeans. It has an ingredient known as Alachlor. In 1985 the Minister of Agriculture cancelled the registration of Alachlor in Canada based on advice he had received from the Minister of Health and Welfare. Monsanto protested, and the Minister named a panel of four world renowned scientists with a retired judge as chairman, all experts in the area of toxicology, metabolism, risk assessment, and agricultural economics. Those hearings proceeded for 14 months, 41 hearing days, and this ARB [Alachlor Review Board] recommended the registration be restored. In spite of that recommendation and in spite of strong support from Canadian grower groups, the Minister decided in January not to restore the registration. On April 23, 1988, the Canadian Government published in their Canada Gazette, similar to our Federal Register, a notice that proposes a reduction in the maximum residue limits for residues of Alachlor. There had never even been MRL's for Alachlor in Canada before. The new tolerance levels for corn in Canada were 10 times more strigent than our tolerance levels. The tolerance for dry beans shipped into Canada were 20 times more stringent than our tolerance levels. We have no tolerance level for soybean oil, yet the Canadians have a very stringent tolerance level for soy oil. In meat and milk we have one two-hundredth parts per million tolerance level for Alachlor.

The Canadians have one one-thousandth.

Mr. Chairman, this is a nontariff barrier, and it will appear in other agricultural commodities, and I say to my friends to the north, "If you want free trade, let's make it fair trade, let's make it equal," and I urge the Committee on Ways and Means to continually monitor the practices of our good friends to the north when we ratify this agreement.

□ 1415

Mr. GIBBONS. Mr. Chairman, it is my pleasure to yield such time as he may consume to the gentleman from Florida [Mr. FASCELL]. The gentleman from Florida is not only chairman of the Foreign Affairs Committee, but he has for years served as chairman of the United States-Canadian Parliamentary Delegation and has had great experience in this area.

Mr. FASCELL. Mr. Chairman, it is with great pleasure that I rise in support of H.R. 5090, implementing the United States-Canada Free-Trade Agreement.

The United States does not have a closer friend and ally than Canada. This historic agreement will cement and expand what is already the largest trading relationship in the world.

What is remarkable about this trading relationship is not just the magnitude, but the relative lack of friction. Although avoiding trade disputes was one of the incentives for the agreement, in fact, the United States has considerably fewer trade disputes with Canada, its largest trading partner, than with many other countries.

My hope and expectation is that this agreement will usher in a new era of expanding United States-Canadian economic relations that will set the standard for barrier free world economic relations. The agreement already has provided a model for the GATT negotiations on how to reduce barriers in the area of services.

Mr. Chairman, there are two people, one American and one Canadian, without whom I doubt we would be here today considering this legislation. One is our colleague, my friend, the gentleman from Florida [SAM GIBBONS], whose involvement helped develop what proved to be the linchpin of the agreement, the dispute resolution mechanism. For more than a decade I have been listening at the annual meetings of the Canada-United States Interparliamentary Group to SAM expound on the evils of barriers to the flow of trade and investment, and to his assessment that Canada could not respond to a United States initiative to negotiate a free trade arrangement, but that the United States could respond to a Canadian invitation. Well, they initiated, we responded, and SAM has been proven prescient, and deserves a great deal of credit for what has occurred.

The other person whose role I would like to acknowledge is our friend and colleague on the Canada-United States Interparliamentary Group, Senator George Van Roggen. In the latter 1970's and early 1980's, as chairman of the Senate Committee on Foreign Relations, Senator Van Roggen organized a series of hearings and reports on United States-Canadian trade relations. The first report, in 1978, identified bilateral free trade as the most promising of various policy options. The third report, in 1982, recommended a bilateral free trade agreement between Canada and the United States. These recommendations came at a time when closer economic relations with Washington was not in vogue in Ottawa, but clearly they presaged the future.

Mr. Chairman, all of us who were privileged to attend those interparliamentary meetings over the years will remember that George Van Roggen

was literally a lone voice in the wilderness. It was extremely difficult to get our Canadian friends to focus on the possibility of a free trade arrangement with the United States. There was a lot of concern among the Canadians then and that concern remains.

Because of his disagreement with his party's decision to use the Senate to block consideration of the free trade agreement before a new election, Senator Van Roggen has stepped down as chairman of the Senate Foreign Relations Committee. This action by Senator Van Roggen is the act of an honorable and principled statesman who has had the courage and foresight to lead us into this agreement.

He deserves, along with the gentleman from Florida, Mr. SAM GIBBONS, our thanks for taking critical leadership roles on this issue. The final entry into effect of the United States-Canada Free-Trade Agreement will be both a personal and a professional victory for these two men; but more than that, it will be the beginning of an entire new era in world commerce, the end results of which we cannot begin to imagine today. Those results will be extremely beneficial to the people of not only the United States and Canada, but I dare say to all who are willing to join us in the effort knock down barriers, improve trade, and develop closer understanding and improved economic relationships among the nations of the world.

Mr. CRANE. Mr. Chairman, I yield 4 minutes to our distinguished colleague, the gentleman from Oregon [Mr. ROBERT F. SMITH].

Mr. ROBERT F. SMITH. Mr. Chairman, I thank the gentleman for yielding this time to me.

I rise in support of the Canadian Free Trade Agreement. As did my colleague, I compliment the gentleman from Florida [Mr. GIBBONS] for an excellent job, as well as the negotiators for our country who worked with Canadians, especially Secretary Lyng and Ambassador Yeutter, who have, I believe, put together an agreement that is interestingly enough beneficial to both the United States and Canada.

It is almost an anomaly that a country of some 25 million to our north and our country, 10 times its size, enter into an agreement which is beneficial to both, but this one truly is.

There is no question that the United States is now in a global market. We were shocked in the eighties when we found we had lost much of our agricultural exports, from $46 billion down to some $23 billion. We were shocked because we had controlled world markets, not only in agriculture, but in many other areas. That changed. That changed as a result of the Marshall Plan after World War II when we built up Japan and West Germany, and we did such a fine job that suddenly they became competitors to the point they took away our markets.

The European Community evolved out of all that and the so-called Common Market, 12 countries banded together in Western Europe and became the direct competition of the United States. We lost markets to them and we were shocked.

Here then is a chance to regain some of that confidence in world markets for the North American Common Market, beginning with Canada and the United States.

There is no question that this is beneficial to our region, our area, and brings us back directly into competition with the EEC and the rest of the world in marketing.

Certainly agriculture is so important. It probably has been the most contentious issue, and let me just run through with you for a moment some of the issues.

Remember that the timber agreement we reached with Canada stays in place. The 15-percent duty on the Canadian side stays in place, so our timber industry is protected.

Remember the wheat question when, with the help of the Agriculture Committee, we were advised to keep the section 22 programs to stop the possibility of dumping wheat from Canada to the United States, which resulted in the National Association of Wheat Growers withdrawing their opposition to this agreement.

Also remember that the Cattlemen's Association agrees with this agreement. They have endorsed it. So it is not a problem with the livestock industry in America.

I come from a part of the country that raises potatoes. While the potato people are concerned, my potato people say, "Look, we still have our rights to preserve our market in this country. If there is any kind of dumping of potatoes into this country, fresh or otherwise, we retain our right as the United States to stop that kind of dumping."

Therefore, the potato people are not going to be injured.

Plywood was initially a very contentious issue. The plywood people have withdrawn their opposition to this agreement simply because the standards that were raised by Canada which denied the entrance of plywood from the United States to Canada still remain.

We also agreed to retain the duty on our side, as do the Canadians, until we can rectify this issue of plywood. So the plywood people are not going to be injured by this agreement.

I think the point remains simply this. There are several issues that this Canadian Free-Trade Agreement does not address and they will be ongoing. Yet we have solved a major part of the problems between Canada and the United States.

I think that we have resolved all, if not all, almost all the agricultural issues.

I think it points out that here is a chance for America to begin an agreement which will expand possibly to Mexico, possibly to Japan, Taiwan, Singapore, and South Korea. Here is our chance to get back in world trade. This is a chance we cannot ignore and we must take.

Mr. Chairman, the Pacific Northwest and Canada have enjoyed a prosperous relationship, based largely on a common border, common language, natural resources and climate, cultural similarities, and ocean access to the Pacific rim.

The volume in trade between the United States and Canada is the greatest in the world. Canada buys twice as much in goods from the United States as Japan does and more than Mexico, West Germany, and the United Kingdom combined. Bilateral agricultural trade accounts for 3 percent, or about $3.5 billion.

Our trade relationship with Canada already serves as an example to our other trading partners. About 80 percent of the goods and services between us travels tariff free. However, some experts predict approval of the United States-Canadian Free-Trade Agreement could increase this trade by 50 to 100 percent.

This agreement can be good for all of us: for Oregon, for America, for Canada. It can create jobs and increase the industrial competitiveness and economic strength of both countries.

Not all interested parties originally shared my enthusiasm for this agreement. The wheat producers have expressed concerns about elements of this trading relationship that had the potential to adversely affect them, such as the agreement's impact on our use of section 22 provisions of our trade laws.

I have joined with the wheat industry in working with the administration to arrive at definitions of such terms as a "substantial change in farm policies," a "significant increase in imports," and "as a result of import surges" that keep section 22 in place.

Plywood producers were not entirely satisfied with provisions in the agreement whereby Canada would review its nontariff barriers for plywood. However, the industry has since agreed upon a procedure to address these concerns.

I have worked closely with the Foreign Agriculture Service, U.S. Trade Representative, and industry to craft report compromises to resolve these problems. I must applaud the constructive work that has been done by all parties.

We must push forward and make this agreement a success. Ratification of this agreement is not only important to the United States and Canada, but to the whole world.

The economic benefits for Canada and the United States are obvious. But in a broader sense, this agreement is significant because it will send a message to other countries that free trade is a worthy goal.

It should serve as a model for the 92-member General Agreement on Tariffs and

Trade, the international covenant that guides world trade. Several nations, including Japan and South Korea, already have expressed interest in entering into free trade arrangements with the United States based on what they've seen from the Canadian package.

This agreement represents a window of economic opportunity that rarely comes along. We can use this accomplishment to achieve the shared goal of eliminating all trade-distorting barriers and subsidies that hinder trade worldwide.

This theme has been central to my own strategy for the improvement of U.S. agricultural trade and applies equally well to all trade.

It's a bold step toward a barrier-free international trade atmosphere. I believe it's cooperative leadership at its best, and I urge that we give it broad support.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. LEVIN], a member of our committee.

Mr. LEVIN of Michigan. Mr. Chairman, I will vote for this agreement, with a serious reservation. I want to explain that reservation.

When President Reagan signed this agreement with Canada last January, he hailed it as a historic achievement. When President Reagan's Trade Representative, Ambassador Clayton Yeutter, appeared last week before the House Ways and Means Committee, he called it a magnificent accomplishment.

I would agree that this may indeed be the best that this administration can do in trade policy, but this agreement also reflects the basic weakness of the administration's approach to international trade negotiations. As a result, this agreement is a significantly smaller success than it might have been.

The purpose of negotiating this agreement with Canada was to broaden what already is the largest bilateral trade relationship in the world. The goal has been trade liberalization, not just as an end in itself but as a means of rationalizing economic activity within an expanded, binational free trade area.

At a time when trade liberalization is advancing within the European Community, and being sought globally in the Uruguay round of GATT negotiations, it seems all the more important for the United States to seize the special opportunity created by our unique relationship with Canada for freer trade in North America.

This agreement meets the challenge of freer trade in several areas. It eliminates virtually all tariffs between the United States and Canada over 10 years. Although most bilateral trade already is tariff free, the effect of this agreement for numerous types of goods will be to phase out Canadian tariffs that are on average more than twice as high as United States tariffs. The agreement significantly liberalizes Canada's restrictions against United States investment. It gives United States customers much more secure access to Canadian energy. In financial services, the agreement substantially increases access to the Canadian market for United States bank subsidiaries. It establishes guidelines for trade in service sectors such as information processing and insurance. It provides a new binational mechanism for resolving disputes over subsidies.

In these areas, the agreement meets the challenge not only of liberalizing trade but also of rationalizing economic activity in a free-trade area straddling the 49th parallel.

However, can the same be said of the auto sector?

The question is highly relevant, because more than a third of our bilateral trade is in motor vehicles and motor-vehicle parts. It is relevant because we have been running steady and significant deficits with Canada in the automotive sector since 1982. Last year this sectoral imbalance accounted for a third of our overall deficit with Canada—and our deficit with Canada is our fourth largest, after our deficits with Japan, West Germany, and Taiwan.

The auto sector posed a critical test for the United States as it entered free-trade negotiations with Canada, because much of our deficit in this sector is linked to Canadian protectionist barriers. These barriers have built a structural imbalance into our bilateral trade over the last two decades.

In the 1965 auto pact, Canada and the United States committed themselves to fair and equitable trade in automotive goods. The agreement settled a trade dispute that arose when Canada, seeking to stimulate domestic production of motor vehicles and parts, started giving customs-duty rebates on imported automotive goods if they had Canadian content.

Our two nations agreed that Canada would end this practice and that henceforth automotive goods would cross the border duty free with minimal restrictions, subject to proof that the goods were predominantly of United States or Canadian origin. However, Canada implemented this agreement with strings attached. Canada imposed additional one-sided domestic-content requirements on United States manufacturers wishing to sell products in Canada duty free.

Canada required that a manufacturer qualify for duty-free status by contracting to produce in Canadian factories as many vehicles as it sold there each year. Canada also required that the manufacturer's Canadian production equal at least 60 percent of the value of its total Canadian sales each year.

In return for these special commitments, Canada granted the major United States vehicle manufacturers a privilege that has become increasingly valuable, and increasingly problematic for the United States auto parts industry.

Canada allows vehicle manufacturers that qualify for duty-free status by meeting Canadian-content commitments to import automotive goods duty free not only from the United States but from anywhere in the world. The United States neither imposes such domestic-content requirements nor allows duty-free importation under the auto pact from any country but Canada. The effect is to give qualified manufacturers—namely, the United States-based Big Three—a powerful incentive to import parts from third countries overseas, build them into vehicles in their Canadian production facilities, and then ship them duty free to the United States.

Not only do United States parts producers lose out to overseas competition that bypasses United States tariffs, but also the Big Three themselves have an enhanced incentive to build more vehicles in Canada rather than the United States.

Beyond the distortions caused by Canada's one sided implementation of the auto pact, the Canadians actually have revived in a new form the practice that the auto pact was intended to stop—duty remissions designed to subsidize Canadian production of automotive goods for the United States market. Both direct, export-based remissions and indirect, production-based remissions have been revived.

These distortions of automotive trade since the auto pact was signed have been obvious and well understood. Back in January 1976, the United States International Trade Commission concluded that the auto pact "as implemented by Canada is not a free-trade agreement, and it has primarily benefited the Canadian economy." The ITC added:

Indeed, when the agreement is examined in its totality, it is manifest that the only true concessions granted in the agreement are those granted by the Government of the United States according duty-free treatment to imports of automotive products manufactured in Canada.

A 1985 assessment by the Ontario Economic Council was equally clear about the one-sided nature of bilateral automotive trade:

In that the APTA [auto pact] was a limited purpose tool designed to solve the problem of low-volume production in Canada and increase Canada's share of North American automotive production, it has been a successful policy action from which Canada has reaped large benefits in automotive employment, production, investment, and trade, as well as real incomes throughout the economy.

A University of Maryland economics professor, Paul Wonnacott, summed up the matter well last year:

In the normal course of events, the lion's share of the gain from the Auto Pact goes to Canada; it was the Canadian industry that was in need of rationalization through longer production runs. If Canada tries to squeeze the last ounce of gain out of the pact, there is a risk that the question will be asked in the United States, "What's in it for us?"

The impact of Canada's post-auto pact practices took some time to develop, but with the advent of a global automotive market in the 1980's, it has appeared emphatically in the bilateral trade data. Moderate annual U.S. surpluses in automotive goods in the late 1960's turned to small deficits in the early 1970's. We had some surpluses in the second half of the 1970's, but these have been vastly overshadowed by deficits since 1982. These deficits have ranged from $2 billion to $4.5 billion and show no sign of abating.

The relatively even balance recorded over the early years of the auto pact is also misleading. About two-thirds of Canadian automotive exports to the United States has consisted of complete vehicles, while United States automotive exports to Canada have consisted mostly of parts. Canada consistently has recorded surpluses since 1965 in vehicle trade, giving Canadian-based production a decided tilt toward the higher value end of the auto business. In the 1980's, a traditional United States surplus in parts has dwindled to the vanishing point and no longer can compensate for the Canadian surplus in finished vehicles.

Under such circumstances, one would have expected the United States to enter negotiations over a free trade area with a determination to end the one-sided aspects of bilateral auto trade, and with a results-oriented approach—especially in view of predictions of a worldwide glut in automotive production.

Admittedly, U.S. negotiators faced some difficulties in tackling this bilateral problem head-on. For one thing, the United Auto Workers Union that used to speak for all North American autoworkers now has split along national lines, and the Canadian union has decided that a continuation of the status quo serves its members' interests. At the same time, the Big Three have planted their feet firmly on both sides of the border since the auto pact was signed, and they have a keen interest in retaining the global, duty-free sourcing of parts that Canada allows in exchange for meeting Canadian content requirements.

Also to be reckoned with was the natural human tendency on the Canadian side to hold onto a situation that has been very, very good for Canada. Quite predictably, the Canadians entered the free trade negotiations saying that the auto pact was off the table, that it would not be necessary to discuss automotive issues, since the auto pact already covered those in a satisfactory way.

To overcome this Canadian position, what was needed from the outset was: First, strength; and second, strategy. The United States projected neither. The United States did not respond to the Canadians with a clear insistence that the status quo was unsustainable. As late as March 1987, U.S. Trade Representative Clayton Yeutter was telling the Detriot Free Press that "we certainly want to discuss automobile issues. But that does not necessarily mean the auto pact needs to be abandoned. Perhaps it ought to be changed, but we're not prepared even to come to any conclusions on that yet."

In fact, not until the last stage of the talks, at the strenuous urging to a number of us in Congress, did the administration push hard for a change in the status quo.

Even at that time, it was clear to all concerned, not least the Canadians, that the administration did not consider the outstanding automotive issues to be important enough to snag the agreement.

Administration negotiators since have acknowledged that they have made no economic analysis of the impact on the auto and auto parts industries of the negotiating outcomes they were prepared to accept.

The upshot was that some auto sector changes were agreed to, but much of the one-sided status quo was left untouched by this agreement.

Under the agreement, Canada will continue its self-interested implementation of the auto pact. If a United States manufacturer wants to continue duty-free exports to Canada, the same Canadian content requirements will apply. One vehicle still will have to be produced there for each one sold there; $60 worth of Canadian automotive products must be purchased for each $100 in Canadian sales. In other words, a market for Canadian parts will continue to be guaranteed.

Meanwhile, global, duty-free sourcing by qualified companies will be perpetuated, to the continuing disadvantage of U.S.-based suppliers.

The agreement leaves unchallenged two additional subsidies of the purchase and production of automotive products in Canada. Duty remissions based on exports to countries other than the United States will continue for 10 years. Duty remissions based on production in Canada will be allowed for up to 7 years, depending on the terms of Canada's contracts with manufacturers. Exact terms of those contracts—for instance, the volume of production affected—have yet to be disclosed by the Government of Canada.

These Canadian practices have had, and likely will continue to have, lasting effects on the North American auto industry. If production cutbacks should become necessary, Canada's content requirements will give the auto makers a strong incentive to shrink American rather than Canadian production.

As new entrants in auto assembly and parts production establish themselves in North America, primarily to serve the United States market, Canada's continuing duty-remission program will subsidize the choice of Canadian production sites and the purchase of Canadian parts.

The factories built and supply contracts signed under the influence of these duty-remission subsidies will endure long after the remissions are phased out under the agreement.

These persisting inequities—whose weight falls mainly on the companies and workers of the U.S. partsmaking industry—will undercut other provisions negotiated in the auto sector. For example, a new, somewhat stricter rule of origin will not be enough to ensure that engines, drivetrains, and other high-value components must be built in the United States or Canada to qualify a vehicle as United States or Canadian and therefore duty-free.

The net effect is deeply disappointing, because in some ways there are improvements in this agreement over the status quo.

The major improvements are these: In 10 years, all tariffs on automotive goods will be gone. Duty remissions based directly on exports to the United States will be terminated the day the agreement takes effect. No new participants will be able to qualify under the auto pact and thereby qualify for duty-free sourcing in Canada from third countries although an exception is made for a joint venture between GM and Suzuki. The tightened rule of origin will exclude manufacturers' overhead and profits when United States or Canadian content is assessed to establish a product's origin and hence eligibility for duty-free handling.

Pressure from Congress since the agreement was initialed last year has produced some further mitigation of damage in the auto sector.

Members of the House and Senate committees of jurisdiction, of the Northeast-Midwest Coalition, and of the Michigan delegation have worked with the administration since this agreement was initialed last October to make this a fairer deal for the United States.

For example, we have closed loopholes to ensure stronger customs enforcement of the Canadian-origin requirement for duty-free entry. We have blocked the abuse of royalty and license fees to inflate North American content claims. We have required that a rational limit be placed on the scope of Canada's continuing duty-remission

programs, since the Canadians have failed to disclose the extent of those programs.

Also as a result of pressure from Congress, the implementing bill calls for further negotiation on auto issues, for new efforts to negotiate a stronger rule of origin that will give both American and Canadian parts makers a fair chance at producing the high-value-added components for vehicles built in Canada.

It will expedite the matter if the Canadians shed certain illusions about what the issue is for Members of Congress. We do not imagine that Canadian barriers are the only major cause of our auto sector deficit, nor that trade must be perfectly balanced in order to be fair. Our problem with Canada in the automotive sector has been a structural imbalance, established by Government practices that largely will remain in place under this agreement.

The bilateral, structural problem aggravates a global problem, which manifests itself in a huge U.S. auto sector deficit, accounting for more than a fourth of our overall national trade deficit each year. This problem reaches not only the vehicle manufacturers but also their U.S. parts suppliers so that we now suffer a worldwide deficit in auto parts as well as in completed vehicles.

The situation cries out for strategic analysis and a strategic response by the makers of U.S. trade policy. But it is precisely the absence of a strategic sense that is the hallmark of this administration's trade policy.

This administration weakness has been undercutting the U.S. trade position for years. A case in point, which bears directly on the third country context of the United States-Canada talks, is the United States initiative on auto parts sales to the Japanese.

In 1985, members of the Congressional Task Force on Auto Parts began to push the administration to negotiate with Japan on the problem of exclusionary procurement relationships between Japanese auto manufacturers and their traditional suppliers. As the U.S. Commerce Department reports in its 1988 U.S. Industrial Outlook, these family-like relationships are "a major impediment to the ability of United States auto parts suppliers to gain access to Japanese auto manufacturers in Japan and the United States."

The United States deficit with Japan in auto parts alone exceeded $6 billion last year, and the automotive sector accounts for roughly half our overall deficit with Japan, which hit the $60 billion level in 1987.

A problem of this enormous magnitude requires a major policy response. It requires a strategy designed to achieve certain results. But this administration, in the market oriented, sector specific [MOSS] talks with Japan on auto parts, elevated the refusal to focus on results to the level of a high principle.

United States negotiators refused to request that the Japanese aim at specific targets for increased purchases of United States parts. They even opposed requesting purchasing data from Japanese subsidiaries in the United States to gauge progress toward nondiscriminatory procurement—lest we appear to discriminate against foreign investors, they said. They negotiated weakly, and they accepted the results meekly.

Small wonder, then, that negligible progress has been made, since these MOSS talks concluded a year ago, in penetrating the closed Japanese procurement families, whose members are now transplanting themselves to North America. Nor should we be surprised to learn that some of the same policymakers who handled the MOSS auto parts negotiations had a hand in defining United States objectives for the automotive sector in the free trade negotiations with Canada.

I am convinced that we can do better than this. I believe that within limits properly established by our commitment to free trade we can bargain far more forcefully for a better deal.

Surely we can determine clearly at the outset what the basic data tell us about our competitive position.

Surely we can figure out in advance the likely impact of alternative negotiating outcomes.

Surely we can identify the outcome most conducive to our own economic health.

Surely we can hang tougher when the pressure inevitably peaks at the eleventh hour of any trade negotiation.

Because we brought neither strength nor a strategy to bear in the automotive sector in the trade negotiations with Canada, the benefits of the agreement for our economy and its value as a precedent for other trade negotiations have been impaired. We have settled, at best, for half a loaf, and that half has big holes in it.

In some other areas this agreement does take major steps toward free trade; I regret this is not true of the auto sector. I believe that passage of the omnibus trade bill can help set the United States on course toward a new trade policy. The trade bill provides some long-needed tools with which an activist administration can regain our international competitive standing.

I will vote for this agreement today, viewing it as a starting rather than a resting point for our trade relations with Canada.

□ 1430

Mr. CRANE. Mr. Chairman, I yield 3 minutes to our distinguished colleague, the gentleman from California [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Chairman, I rise to speak in strong support of the United States-Canadian Free-Trade Agreement and the legislation to implement its terms, H.R. 5090.

This agreement is the most comprehensive and far-reaching bilateral trade pact in history. President Reagan and Prime Minister Mulroney should be congratulated for having the wisdom to appreciate the potential benefits of freer trade between our two nations, and the courage and dedication to press ahead to reach the agreement that is now before this Congress.

The President should also be commended for cooperating with the Congress in putting together the legislative documents that will serve to explain the meaning of the general terms of the free trade agreement. We spent many hours working closely with administration officials in crafting the explanatory language. I wish to thank particularly the staff of the U.S. Trade Representative for their cooperation and their expertise.

Mr. Chairman, the United States and Canada are already the world's two largest trading partners. In 1987, our commerce reached a total of $166 billion in goods and services. The free trade agreement spans the entire range of this relationship and should contribute to a significant boost in trade that will increase the economic well being of both of our countries.

The provisions of the agreement governing energy trade are particularly significant. Our Nation and Canada carry on the world's largest two way trade in energy. Canada is the source of most of our natural gas and electricity imports and is a major supplier of crude oil. Canada is also this country's greatest market for exports of domestic coal.

This energy trade is vital to the economic and energy security of both countries. The free trade agreement recognizes this fact, and is intended to protect our mutual interest in maintaining free trade by restricting government interference.

A basic tenet of this part of the agreement is that the laws and regulations of both countries should not discriminate between foreign and domestic energy goods on the basis of national origin. Thus, the result should be a unified market in which suppliers and consumers in both countries can compete for the most favorable transactions without artificial constraints imposed by government.

I believe this bilateral agreement will establish a standard for agreements that we may reach with other nations. The creation of a free trade zone in North America should put pressure on other nations to liberalize their own trade policies and open their markets to U.S. goods.

I regret to note that the agreement does not go very far in reforming our own policy concerning exports of oil produced in Alaska. Our statutes essentially prohibit these exports. This singling out of the products of one State for unfavorable export restrictions is not only unfair to the people of Alaska, but it actually reduces our energy security by lessening the revenues earned from domestic oil production—lost revenues that could otherwise be spent on increased production. The oil produced in Alaska should be sold to the buyer that is willing to give the best price to our U.S. producers. Both producers and consumers lose when government interferes with this logic.

The agreement does make a small dent in this policy by allowing the export of 50,000 barrels per day of Alaskan oil to Canada. We should consider this as the first step toward removing the prohibition of exports of Alaskan oil altogether.

Finally, I wish to note language contained in the statement of administrative action encouraging the Bonneville Power Administration to negotiate fairer transmission access policies with Canadian, Pacific Northwest, and Californian utilities. The demands of Californian consumers for competitively priced electricity should not be thwarted by rules and regulations adopted by a Federal agency which discriminate between potential suppliers of electricity.

Finally, Mr. Chairman, I would like to address one of the most important features of the FTA, which is the binational panel dispute resolution mechanism established in chapter 19 of the agreement. Under the terms of the FTA, rather than the courts of each country reviewing final antidumping and countervailing duty determinations it will be done by binational panels utilizing standards of judicial review and continuing to apply the domestic antidumping and countervailing duty laws of the importing party.

The Subcommittee on Courts, Civil Liberties and the Administration of Justice held a very informative day of hearings focusing on the binational panel approach and the constitutional issues raised by it. It was the consensus of the witnesses as well as other commentators who studied the issues that the binational panel approach is constitutional and I share their views.

I believe that the representatives of the United States and Canadian Governments, who worked for 2 years to reach this agreement, should be commended for their efforts. Here in Congress, the distinguished gentleman from Wisconsin [Mr. KASTENMEIER], chairman of the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice, and the distinguished gentleman from Florida [Mr. GIBBONS], chairman of the House Ways and Means Subcommittee on Trade provided valuable leadership and input on the free trade agreement. Likewise, officials of the Commerce Department, USTR, the Treasury Department and Justice Department have been very constructive and cooperative with Congress in fashioning H.R. 5090.

I urge my colleagues to vote to approve the free trade agreement and its accompanying documents.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. ERDREICH].

Mr. ERDREICH. Mr. Chairman, I thank the gentleman for yielding.

I congratulate the chairman, the gentleman from Florida [Mr. GIBBONS], and all of those who are involved in effecting this agreement. It is one that I strongly support.

Mr. Chairman, we passed the Omnibus Trade Act, and that clearly was a way to strengthen our arsenal of dealing with unfair trade around the world. This provision, the agreement between Canada and America, shows how a bilateral agreement is certainly the path to take where nations can, of course, agree and obtain such an agreement.

This opens up markets. It eliminates tariffs and those barriers to trade that all of us want to see eliminated.

A bilateral agreement toward an open market is a signal achievement and, again, I congratulate the chairman, the gentleman from Florida [Mr. GIBBONS], on his achievement and the entire committee for their work and, indeed, for an administration which woke late to the problems of international trade, finally, if not too late. The negotiation of this agreement is certainly a step forward, and I have to say it is good progress for this country.

Mr. CRANE. Mr. Chairman, I yield 3 minutes to our distinguished ranking Republican on the Committee on Banking, Finance and Urban Affairs, the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Chairman, I thank the gentleman from Illinois for yielding me this time, and I want to commend him, personally, for his leadership, and I commend the chairman, the gentleman from Florida [Mr. GIBBONS], for his leadership on this bill.

Mr. WYLIE. Mr. Chairman, I believe the United States-Canada Free-Trade Agreement to be a significant and positive step for our two countries. I remember in 1980 when President Reagan campaigned for the Presidency, he expressed as one of his goals, his desire to achieve this kind of agreement with our closest neighbor to the north. It is a formal step that I am confident will continue to strengthen the goodwill that already exists between our two countries.

This free trade agreement covers a broad range of issues. Almost all tariffs between the two nations will be eliminated over the next 10 years; a binational panel will be formed to settle antidumping and countervailing duty disputes; investment laws in Canada will be liberalized extensively; greater national treatment is accorded for the services sector; restrictions will be limited with respect to energy products; and finally, certain agricultural subsidies are eliminated.

With respect to chapter 17, the financial industry services part of the agreement, United States financial firms stand to benefit significantly from Canada's intentions to accord national treatment with respect to a host of items. Our Nation's banks will no longer be subject to market or asset size restrictions in Canada. Applications by banks and securities firms to enter the Canadian securities sector will be accorded national treatment. Additionally, insurance firms will no longer be restricted by the so-called 10/25 rule that restricted investment by nonresidents.

The United States has made a commitment to allow its banks to underwrite and deal in Canadian Government securities to the same extent they deal in United States securities. The United States will benefit from having a larger market for its Government securities and I believe Canada will benefit by the larger market as well.

The United States has also committed to Canada that certain Canadian banks grandfathered under the International Banking Act of 1978 will not have their status altered. Moreover, if our delivery of financial services laws are liberalized in the future, Canada will be accorded national treatment.

Certainly, some questions are being raised by the implementation of such a broad ranging agreement. However, I am informed by the executive branch, both in writing and at our hearing, that nothing in this agreement will undermine our own financial institutions laws that continue to divide certain financial industry sectors. In addition, regulators have informed us that this agreement will be interpreted with these concerns in mind. I also note that the statement of administrative action specifically mentions that this agreement provides no authority, independent of Federal and State law, for any Canadian banking organization to provide insurance services in the United States.

In sum, Mr. Chairman, I think that the United States and our financial services industry will be well served by the approval of this free trade agreement and I urge its approval.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to our distinguished col-

league, the gentleman from Washington [Mr. MILLER].

Mr. MILLER of Washington. Mr. Chairman, I thank the gentleman from Illinois [Mr. CRANE] and the gentleman from Florida [Mr. GIBBONS], who have worked so hard on this.

Mr. Chairman, I rise in strong support of the free trade agreement between the United States and Canada. Today we take up H.R. 5090, the implementing legislation for this agreement. Those of us who have wrestled with this issue in the United States Canada Parliamentary Group, it gives us great pleasure. If we pass this bill and if the Canadians ratify this agreement, then over the next decade almost all the tariffs and trade barriers between the United States and Canada will be removed. This bill will create a win-win situation for the United States and Canada. It will allow our nations to engage in more and more economic cooperation. It will encourage economic growth on both sides of the border. It will help create jobs on both sides of the border. It will help create more jobs in my State Washington and in our neighbor, British Columbia. It will streamline the trade bureaucracy in both countries, and that means more consumers on both sides of the border will get more for their money.

Mr. Chairman, this bill will do more than just help the United States and Canada, Washington State, and British Columbia. The United States-Canada Free-Trade Agreement sends a clear message to the rest of the world. The time is now to remove barriers, reduce tariffs, let products move freely.

The omnibus trade bill we passed give the United States the tools needed to enter new markets, to combat unfair trade practices.

The United States-Canada Free-Trade Agreement sends the message to all of our trading partners that if they do not dump, if they do not practice protectionism, if they do open their markets to our exporters, we will make sure they have access to ours.

The United States and Canada have a special relationship. Our political, cultural, and economic traditions come from Great Britian.

But, for too long, we have been separated by economic barriers which benefit no one. This bill, Mr. Chairman, will help us remove those trade barriers, improve the economies of both countries and build stronger bonds of friendship.

Mr. Chairman, I urge my colleagues to join me in supporting the passage of this bill.

Mr. CRANE. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Chairman, I rise in strong support of the Canadian free trade agreements.

Mr. Chairman, today the House meets to put our stamp of approval on H.R. 5090, legislation to implement the pending United States-Canada Free-Trade Agreement signed by President Reagan and Prime Minister Mulroney on January 2 of this year. While the Energy and Commerce Committee, on which I serve, had jurisdiction over only a few pieces of the overall package, our committee met and approved H.R. 5090 a week ago today. While no amendments can be offered under the special fast-track procedures being used to consider this legislation, our actions today should not be taken as simply rubber stamping the agreement. On the contrary, all of the committees involved have been extremely active in examining all aspects of the agreement and generally supportive of the implementing legislation. The House's action today represents an extremely important step in the process of totally eliminating all bilateral tariffs between the United States and Canada over the next 10 years. It is my hope, Mr. Chairman, that this agreement with Canada, our largest trading partner, can serve as the basis for future free trade agreements with our other trading partners, particularly Mexico and Japan.

During the Energy and Commerce Committee hearing process, most of the witnesses and members present expressed support for the free trade agreement as a whole and its goal of opening even further the doors of both nations to each other's goods and services. Furthermore, both critics and supporters of the pact predicted that both Houses of Congress would take the action that the House is taking today by voting to approve the pact this year—in line with the fast-track schedule agreed to by Congress and the administration. Of course, approval in Canada is essential to completing the process.

While approval by both Houses of the Canadian Parliament is much less certain than our own approval, the Canadian Embassy continues to place a very high priority on the pact's approval in that country. Canada understandably has different concerns about the agreement than the United States, and yet support in most of the Canadian Provinces is reflected in their polls, Ontario being the main exception. I am confident that Prime Minister Mulroney will do everything in his power to calm the fears of some of our neighbors to the north in order to get the agreement through the Parliament. I am encouraged by the commitment shown on both sides of the border.

Closer to home, Mr. Chairman, approval of the free trade agreement means a lot to my home State of Ohio and the many individuals and industries in Ohio that benefit from our position as No. 3 among the 50 States in the amount of goods that we trade with our neighbor to the north. Free trade with Canada represents a win-win situation for trade in energy, agriculture, autos, services, and other sectors that are so important to the economies of Ohio and the United States as a whole.

Mr. Chairman, in summary I want to express my support for the United States-Canada Free-Trade Agreement, and I also want to urge my colleagues to support it as well—while the agreement is not perfect, it certainly is a very positive first step toward improving trade relationship with our most important trading partner.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman, I rise in strong support of the Canadian-American Free Trade Agreement. Attempts to open the Canadian-American border to freer trade have been scuttled for over a century by Canadian fears of economic domination by the United States. Trade, however, between the United States and Canada has nonetheless prospered. In 1986, trade between our two countries totalled $130 billion, making Canada the United States' largest trading partner.

I am especially pleased with the provisions affecting speciality crops. Tariffs and quotas on fruits and vegetables will be completely eliminated over 10 years. My district in California grows over 50 nonprogram crops and this agreement will certainly be of great benefit to the growers of these crops.

I am also very happy with the wine provisions; 25 percent of the differential in the markup between Canadian wine and United States wine will be eliminated at the beginning of the first year, 25 percent at the beginning of the second year, and the remaining will be phased out in equal steps over the following 5 years. This will significantly help Napa Valley wine growers who have had difficulty marketing their products in Canada.

Mr. Chairman, the impact on farmers on both sides of the border will be positive. They will each have a larger market for their products. Both will waste less time trying to get around each other's trade barriers. Finally, this agreement will encourage greater cooperation between United States and Canadian farmers.

I strongly urge my colleagues to support this historic accord.

□ 1445

Mr. GIBBONS. Mr. Chairman, it is my pleasure to yield 4 minutes to the distinguished gentleman from Michigan [Mr. BONIOR], a member of the Rules Committee.

Mr. BONIOR. Mr. Chairman, I thank my friend from Florida for yielding me this time.

Mr. Chairman, I rise today to voice my very strong support for H.R. 5090, legislation to implement the United States-Canada Free-Trade Agreement. I believe this is a special day for the economic future of our Nation, and especially for my State of Michigan.

I would like to congratulate the distinguished chairman of the Ways and Means Committee, Mr. ROSTENKOWSKI, and the esteemed chairman of the Energy and Commerce Committee, Mr. DINGELL, and Mr. GIBBONS, and other committee chairmen and House

Members who have worked so hard to bring this important implementing legislation before us today.

The FTA is a historic and sweeping agreement, Mr. Chairman. It will broaden the Canadian market to American business, both large and small, and create new jobs—jobs that are needed to bring back into our economy those workers who are discouraged, or whose jobs have been lost to overseas competition.

Mr. Chairman, we have made great efforts in this body to improve the trade balance of our Nation. We have enacted legislation designed to make our industries more competitive, to improve our schools, and to make our trading partners respect our market and give us equal access to their markets.

In implementing the free trade agreement today, we have the opportunity to make yet another step forward to insure continued economic growth for ourselves and for our children. One of the key features of the FTA is the phase out of almost all tariffs within 10 years, including tariffs on many agricultural products.

Canadian tariffs are among the highest in the industrialized world, with lowered, and in most cases, eliminated Canadian tariffs on American goods, the demand for American products is likely to increase, creating new job opportunities for American workers.

The FTA will relax barriers for Canadian firms wishing to build manufacturing facilities in the United States which is another feature promising new jobs, in addition to strengthening and diversifying the economic foundation of our Nation. America's well-trained work force and superior transportation network provide an excellent business climate for Canadian firms wishing to build new plants.

Mr. Chairman, our economy will not only benefit from freer trade in goods, but businesses that provide financial, computer, telecommunications, accounting and engineering services will be free to compete with Canadian firms in providing services to the Canadian market.

Increased competition for goods and services between the United States and Canada also promises to lower prices, benefiting consumers and manufacturers alike.

In a larger sense, this will make American goods more price competitive with goods on the world market. This will boost our sales in markets around the world and bring down our trade deficit.

Mr. Chairman, there has been some concern over the terms in the FTA regarding trade in automobiles and automobile parts. While the terms may not be ideal, Michigan and the other auto producing States are far better off with the FTA than without it.

The FTA makes significant changes in laws governing auto trade between the two countries. The Canadians have agreed to future negotiations to address our concerns regarding trade in auto parts. The FTA is not a perfect document, but I believe it will do a great deal to ensure sustained economic growth for our Nation in the coming decades.

Mr. Chairman, I urge my colleagues to support this legislation which is the next step we can take to strengthen and brighten the future of our economy.

Mr. CRANE. Mr. Chairman, I yield 4 minutes to our distinguished colleague and the ranking minority member of the Committee on Energy and Commerce, the gentleman from New York [Mr. LENT].

Mr. LENT. Mr. Chairman, if it is true that all good things come to those who wait, then the free trade agreement must be very good for the United States because we have been waiting for a long time. In fact, we have been waiting since 1854 for a trade liberalizing agreement with Canada.

It now appears that, after 134 years and four other failed agreements, we finally have arrived at a workable and mutually beneficial agreement. I urge my colleagues to join me in supporting H.R. 5090, the implementing legislation for the United States-Canada Free-Trade Agreement.

This agreement is a major step toward President Reagan's goal of a free trade zone from the Arctic Circle to the tip of South America. Specifically, this agreement will eliminate all tariffs on United States and Canadian products by 1998 and substantially reduce other barriers to trade in goods and services.

Considering the volume of trade between the United States and Canada, this agreement will grant our economy incredible benefits. In 1987, bilateral trade in goods and services between the United States and Canada exceeded $166 billion. The Department of Commerce projects that this figure could increase by $25 billion over the next 5 years. Throw in the multiplier effect, and U.S. GNP could increase by up to $45 billion. In addition, 14,000 new jobs would be created for our traditional manufacturing industries, such as machinery, textiles, and clothing.

This agreement is also good for my home State of New York. In 1986, the State of New York and Canada traded approximately 19 billion dollars' worth of goods and services. In fact, the State of New York conducts more trade with Canada than Japan does. About 127,000, or 10 percent, of New York's manufacturing jobs are dependent upon exports to Canada. And the removal of tariffs on energy helps to provide New York with something that has eluded it for many years: energy security.

This agreement is not meant as a defense for free trade ideology. Instead, it is a recognition of economic realities. For instance, this agreement will spur growth for many sectors of our diverse economy, such as agriculture, manufacturing, telecommunications, energy, financial services, and lumber. This agreement will lower prices and enhance opportunities for all consumers and businesses. Simply put, a rising tide lifts all ships.

We realize that some Canadians, in opposition to Prime Minister Mulroney, would rather protect their economy at the expense of shared growth with the United States. Indeed, as I pointed out earlier, this is our fifth attempt in 134 years to forge a free trade agreement with Canada, and each time, mercantilist sentiments unfortunately have prevailed.

But today we can make a major contribution to reversing this historical trend. By voting for H.R. 5090, we will be telling Canada that we are determined to liberalize trade from the Artic Circle to the Rio Grande.

Mr. GIBBONS. Mr. Chairman, it is my pleasure and privilege to yield 3 minutes to the gentleman from Michigan [Mr. DINGELL], the chairman of the Energy and Commerce Committee.

Mr. DINGELL. Mr. Chairman, I thank my dear friend and colleague, the distinguished gentleman from Florida, for making this time possible and for yielding to me.

Mr. Chairman, I rise in support of the United States-Canadian Free Trade Agreement and this legislation. I do this reluctantly. My reluctance is based on the belief that the administration did not negotiate an adequate deal for the United States and American workers. In my view, Canada gave up little that really counted but was able to gain real concessions for its interests.

I am particularly concerned about the effect of this agreement on the automobile and auto parts industries, as well as on workers in those industries. There have been improvements made in the legislation through the very effective bipartisan efforts of the Michigan delegation and the assistance of the Ways and Means Committee. Nevertheless, duty remissions for several Japanese firms will still exist, enforcement is still uncertain, and most importantly, the agreement still calls for a domestic content level of only 50 percent, not the 60-percent level which is important to our country and which I believe is in the interest of Canada as well.

This agreement should not be considered a model for any future trade negotiations. That is particularly true when our negotiators cannot resolve basic issues in crucial industry sectors

until days before the negotiations must end. Our committee's correspondence, printed in the committee's report, shows that the administration was not uniformly behind the 60-percent content rule until the last days of those negotiations. As late as September 1987, the 50-percent rule of preference for automotive products and retention of the auto pact still remained "contentious within the U.S. Government" and was not yet "broached with the Canadians."

There is nonetheless some reason to believe that the agreement will be improved and provide greater benefit to the workers of both the United States and Canada. In particular, I am relying on the word and commitment of Ambassador Clayton Yeutter, who on July 8, 1988 said:

I reaffirm our intention, John, to pursue this matter as a high priority. We very much want to increase the auto rule of origin to 60 percent, and will do everything possible to obtain Canadian agreement on satisfactory terms as early as possible next year.

As soon as the ink on this document has dried in both countries, I expect Mr. Yeutter and his Canadian counterparts to take all actions necessary to achieve this "increase."

At the same time, I intend to give careful attention to other provisions of the agreement within our committee's jurisdiction to assure that it is fully, fairly and vigorously implemented, and that the interests of the United States and its workers are vigorously attended to by the administration.

In the meantime, it will be my hope that as negotiations of this sort go forward, that more adequate preparation, more vigorous presentation of the case for the United States, and more full and deliberate planning to achieve our national goals of fair treatment in the world marketplace will be achieved.

Again I thank my good friend for yielding me this time.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to our distinguished colleague, the gentleman from Idaho [Mr. CRAIG].

Mr. CRAIG. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to H.R. 5090, legislation to implement the United States-Canada Free Trade Agreement.

I take this position for the simple reason that I believe the agreement, as drafted, sacrifices the interests of many resource industries—industries that are the economic base of my State of Idaho.

It is true that this legislation authorizes the President to enter into negotiations with Canada to resolve our differences on the issue of natural resource subsidies.

Some Members of this body may be satisfied with that "agreement to come to an agreement."

This Member is not.

It seems to me that we're putting the cart before the horse if we finalize a free trade agreement before we have worked out the toughest trade problem that exists between our two countries: Government subsidies that give Canadian products an advantage over the nonsubsidized American products that compete directly with them.

Subsidies are a problem threatening American jobs today.

Tomorrow's agreements—or next year's, or next decade's agreements—won't save those jobs. I urge my colleagues to join me in voting against H.R. 5090.

Mr. GIBBONS. Mr. Chairman, it is my privilege to yield 2 minutes to the gentleman from Maine [Mr. BRENNAN].

Mr. BRENNAN. Mr. Chairman, I rise today in opposition to the United States-Canada Free-Trade Agreement because it does not really address the unfair competition that now exists for farmers, fishermen, and woodsmen in my State of Maine.

In essence the problem I have with the agreement is that it will tend to lock in for an indefinite period the pervasive unfair advantage enjoyed by Canadians over their competition in my State.

Those advantages are that the Canadians are substantially more subsidized by their government than their competitors in Maine.

Maine's potato farmers compete against Canadian counterparts who receive at least 32 separate subsidies from the Canadian Government. Maine fishermen face even greater barriers in trying to compete fairly against a heavily subsidized Canadian fishing Industry. Here, the situation is worse—55 Federal and provincial subsidies assist Canadian fishermen and producers.

Maine's farmers, fishermen, and woodsmen can compete with anyone head to head on a level playing field, But when the competition is given a 25-yard head start in a 100-yard dash, that's just too tough even for Mainers.

I simply do not want to lock in that head start against Maine's farmers, fishermen, and woodsmen.

My colleagues and I in the Maine delegation worked hard to ease some of the effects that the elimination of tariffs will have on these important Maine industries. We were able to achieve some success by authorizing negotiations with the Canadians to limit quantities of potatoes and to address the subsidies area. But these, however, only allow the President to work on these issues in the future, and do nothing concrete to remedy the problems. Still, the Canadian subsidies continue.

Furthermore, the agreement does nothing to protect Maine's lobster fishermen from unfair competition from undersized Canadian Imports. the administration refused to include something as important as the lobster provisions in the free trade agreement. Our lobster fishermen are now at a great disadvantage.

I respect the views of those supporting the agreement. They have worked in good faith to advocate on behalf of the agreement.

I have carefully examined the provisions of the agreement, and have weighed the impact the agreement will have on the State of Maine and the Nation.

The potential for an expansion of Maine businesses into Canadian markets under the agreement does exist. The elimination of all tariffs over the next 10 years should unite the United States and Canada into a virtual common market. The liberalization of Canadian investment policies could help to create a more favorable climate for United States investment in Canada. Several other groups could benefit as well from this agreement.

Maine businesses can be assured that I will assist them in any way I can should the congress vote to implement the free trade agreement.

For the hard-working men and women of my State who have to compete against unfair Canadian subsidies, I will cast my vote in opposition to the free trade agreement.

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Mr. GIBBONS. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Chairman, I am pleased to be able to rise in support of the United States-Canada Free-Trade Agreement. By removing trade barriers between the two nations, this historic agreement will create major new trade opportunities for manufacturers and service providers on both sides of the border. More importantly, the FTA will mean new business for many smaller sized companies who have been unable in the past to compete in the Canadian market because of high tariffs and nontariff barriers. The agreement also creates a framework for resolving trade disputes more effectively, and establishes principles for investment and trade in services. And, the FTA will ensure long-term access to abundant Canadian energy supplies and prohibit discriminatory treatment for United States buyers.

As the cochair of the Northeast-Midwest Coalition, I had the opportunity to become involved closely with the FTA during the negotiating process. Last year the coalition formed a bipartisan task force on United States-Canada trade, cochaired by my distinguished colleagues, SANDY LEVIN and

JIM LEACH. The task force distributed numerous reports and provided timely information to coalition members and people back home as the negotiations progressed. On several occasions, the task force met with our distinguished U.S. Trade Representative Clayton Yeutter and the U.S. negotiating team to discuss efforts to resolve trade problems in specific sectors. These meetings and reports allowed us to work closely with the administration at a critical stage in the negotiations to raise concerns and awareness about longstanding trade problems. I am pleased to report that many of the issues we raised are reflected in the final language of this comprehensive agreement.

The FTA is by no measure a perfect trade agreement. I remain concerned about several issues, in particular our bilateral policy governing automotive trade. For the past 23 years, automotive trade between our two countries has been governed by the United States-Canada Automotive Agreement, known as the Autopact. The Autopact has provided duty-free trade across the border in automotive goods. However, Canada over the years, has used the agreement to create incentives for foreign automakers to locate in Canada to serve the United States market. Automotive trade policy is perhaps the most complicated issue that was addressed in negotiations. But with automotive goods accounting for over one-third—$46 billion—of total trade between the two countries, we could ill-afford not to examine closely the automotive provisions contained in the FTA.

In my own home State, automotive trade accounts for much of the trade imbalance, with over 83 percent of Canadian shipments to Michigan consisting of automotive goods. Michigan leads America in trade with Canada—in 1986, Michigan and Canada traded almost 26 billion dollars' worth of goods. But of this amount, more than $17 billion consisted of imports from Canada, leaving the State with a $9 billion merchandise deficit. The FTA gives us the opportunity to redress some of the longstanding inequities resulting from Canada's implementation of the 1965 Autopact, and a chance to lay the foundation trade in automotive products.

Specifically, I am satisfied that Canada will no longer be allowed to give away benefits of the bilateral Autopact to non-North American auto suppliers who set up plants in Canada. This provision in the FTA should remove a major incentive for new foreign manufactures to locate in Canada in order to sell in the United States on a duty-free basis.

I am disappointed, however, that we were unsuccessful in our efforts to increase the rule of origin for automotive products to 60 percent, and I will continue to push for this important provision. A higher content rule would require auto makers in North America to purchase more parts in the United States or Canada before receiving duty benefits under the FTA. Along with my distinguished colleague JOHN DINGELL and many members of the Michigan delegation, we held extensive meetings and discussions with our negotiators to pursue a 60-percent rule. The administration has acknowledged the importance for United States auto parts makers of a higher rule of origin, and in response to our concern, has made a commitment to continue to pursue such a policy in discussions with Canada next year.

I am also disappointed that the FTA will allow Canada to continue its production-based duty remissions program for another 10 years. Under this program, foreign auto makers receive duty rebates on vehicles and parts they import into Canada provided they purchase a large amount of Canadian-built parts for their assembly operations. The program thereby limits the ability of United States auto parts suppliers to sell to foreign producers in Canada. Moreover, retaining the duty remissions program for 10 more years will solidify long-term supplier relationships in Canada, which are likely to remain long after the duty remissions program ended.

Many of my colleagues in this room share my disappointment that the FTA will not terminate this program immediately, although the FTA restricts Canada from expanding the program. To compound the problem, there is insufficient information on the extent of benefits granted to foreign auto makers under the remissions program. We pressed U.S. negotiators to obtain copies of the duty remissions contracts. Having these contracts in hand will enable us to monitor Canada's compliance with provisions of the FTA restricting expansion of the duty remissions program.

The FTA also will establish a bilateral automotive panel to monitor trade once the FTA goes into effect, and to make recommendations to resolve remaining trade problems. Provided this panel is carefully constructed, it could play an important role for imroving bilateral automotive relations. I intend to work closely with my colleagues and the administration in addressing my ongoing concerns through this panel.

There are many other concerns I have with respect to the FTA beyond automotives and which the Northeast-Midwest Coalition Task Force raised with the U.S. negotiators. But I think it is worth stressing that the agreement offers a unique opportunity to improve our trade relationship with Canada. And contrary to the concern of many, the FTA will not close the door to taking steps in the future to resolve outstanding trade problems. The FTA will create business and commercial opportunities in an important market, particularly for those companies located in border States such as Michigan. For these reasons, Mr. Chairman, I encourage our colleagues to support the ageement and to work together in a bipartisan effort to ensure its successful implementation.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to our illustrious colleague, the gentleman from Florida [Mr. BILIRAKIS].

Mr. BILIRAKIS. Mr. Chairman, I rise in support of the United States-Canada Free Trade Agreement under consideration this afternoon. This is a monumental trade agreement which will foster economic growth for both the United States and Canada. Our nations are the largest trade partners in the world and the United States trades more with Canada than any other nation. This agreement will bolster that relationship.

I commend the trade negotiators, the administration and of course my House colleagues who worked so diligently to expedite this agreement. As a member of the House Tourism Caucus, I am pleased that the agreement will facilitate tourism services between the United States and Canada. In my home State of Florida, millions of Canadian tourists visit our beaches and attractions. In 1986, over 1.5 million Canadian tourists came to Florida and spent approximately $700 million. The tourism industry will certainly benefit from this agreement.

About 1 in 10 Florida manufacturing positions depends on exports to other countries—export-related manufacturers' shipments are $5 million—much to Canada.

In other trade sectors: Florida exported 834 million dollars' worth of commodities in 1986—these goods include computers, fresh fruits and vegetables, tomatoes, orange juice, berries, telecommunications equipment, and motor vehicle parts. Florida accounted for $1.3 billion of the $25.4 billion United States-Canada trade in services. In addition, the agreement will enhance telecommunications and computer service markets in Canada. In Florida, over 39,000 farms will benefit from increased sales of Florida agricultural commodities through the phaseout of duties on fresh fruits and vegetables.

In short, this agreement is good for Florida jobs and Florida's economic growth. It is good for the people of Canada and, in general, for both of our countries. I urge my colleagues to support this historic agreement which promotes free and fair trade.

Mr. CRANE. Mr. Chairman, I yield 1½ minutes to our distinguished colleague, the gentleman from New York [Mr. WORTLEY].

Mr. WORTLEY. Mr. Chairman, it is with great satisfaction that I rise in support of this historic opportunity to reduce and finally eliminate all tariffs and most nontariff barriers between the United States and our great neighbor to the north—Canada. As a representative of central New York, I can wholeheartedly say that this landmark agreement will certainly lead to increased economic activity and production, to enhanced employment opportunities, to lower prices and to expanded economic prosperity for Onondaga and Madison Counties of New York.

This is true not only for the commerce of central New York, but indeed for the entire Nation. This agreement between the United States and Canada will lead to a free trade zone stretching from the northernmost points of the Northwest Territory to the Gulf of Mexico. Liberalized trade resulting from this agreement will sustain and actually amplify the economic growth we have been experiencing for the past 70 months.

Many people are surprised by the fact that Canada is the United States' largest trading partner. More than $160 billion in goods and services crossed the United States-Canada border in 1987. The United States sold almost as much to Canada as it did to all 12 countries in the European Community. Moreover, approximately 25 percent of all United States exports go to Canada, which also happens to be the fastest growing United States export market. These are all very salient points to keep in mind when discussing this monumental agreement.

As a member of the House Banking, Finance and Urban Affairs Committee, I am especially knowledgeable of the advantages this agreement would have on financial services between Canada and the United States. This agreement on financial services is the first bilateral agreement of the United States covering the entire financial sector and will serve to further integrate our two financial markets and allow financial firms on both sides of the border to compete on a more equal and reciprocal basis. United States commercial bank subsidiaries will be free from the current Canadian restrictions on market share, asset growth, and capital expansion.

Additionally, United States securities firms will also have a free hand at diversifying into other financial activities in Canada. Furthermore, United States insurance firms will now receive the same as Canadian insurance companies to diversify into banking. Restrictions on percentage of ownership of insurance firms, and trust and loan companies will be removed.

To take advantage of the accord's future, Canada and the United States agree to liberalize its financial markets and to extend the benefits of liberalization to each other. This is indeed a pivotal provision and one which will hopefully further encourage the Banking Committee to further expand financial services available to the commercial banking industry.

By voting on this compact, we are faced with the question of whether it will enhance both countries' trading positions. It will. The lowering or removal of barriers to trade and investment will have strong economic benefits for the United States and Canada. Resulting from the free trade agreement, economists in both countries forecast increased economic growth, heightened bilateral trade and investment, lower prices, expanded employment opportunities, and enhanced North American competitiveness in the world marketplace. Bilateral trade alone has been estimated to increase $25 billion in only the first 5 years of the agreement.

Perhaps the most important aspect of this compact will be its serving as a model for other nations worldwide seeking to improve their trading positions. We already see this happening in Europe, as members of the European Community are working toward a free trade area between their countries as soon as 1992. Moreover, the free trade agreement will serve as an excellent case for the Uruguay round of multilateral trade negotiations. As mediators undertake firsttime issues such as trade in investment and services and improvement of the GATT dispute settlement mechanism, they may look to the free trade agreement for guidance.

As responsible representatives of the people, we must take advantage of this rare historic opportunity. President Reagan and Prime Minister Mulroney have fully capitalized on the current economic and political climate to ensure expanded North American opportunities to increase its global competitiveness. Historic breakthroughs, such as this one, in the two countries' commercial relationships are not all that frequent.

I urge my colleagues to take advantage of this eminent prospect. I do not say this lightly. If we do not support this today, we may not see it again for many years, which would certainly be a tragedy for United States and Canadian competitiveness in the global marketplace. Let's support this accord for the advancement of American trading policy.

The CHAIRMAN. The gentleman from Illinois [Mr. CRANE] has 1½ minutes remaining.

Mr. CRANE. Mr. Chairman, I yield the balance of our time to the gentleman from Ohio [Mr. DONALD E. "BUZ" LUKENS].

Mr. DONALD E. "BUZ" LUKENS. Mr. Chairman, I rise in support of H.R. 5090, the United States-Canada Free Trade Agreement, one of the most comprehensive agreements on trade ever negotiated in the free world.

The experience of the European Community [EC] is a perfect example of the fantastic success of free trade among free nations. During the period in which EC tariffs were eliminated—1959-69—trade within the EC rose by 347 percent compared to a 130 percent increase in trade outside the EC, a 124 percent increase in United States global trade, and a 130 percent increase in Canadian trade. These tariff reductions created the greatest period of economic growth for EC members.

The United States and Canada can create and expand this same period of enormous growth. Each year the United States and our friends in Canada exchange more goods and services than any two countries in the world. Bilateral trade in goods and services exceeded $150 billion in 1986. Accumulated direct bilateral investment through 1986 totaled almost $67 billion.

The centerpiece of the free trade agreement is the total elimination within 10 years of all tariffs on bilateral trade between the United States and Canada. Studies indicate that duty-free trade will result in a $12 to $17 billion increase in the U.S. gross national product, producing 500,000 to 750,000 new U.S. jobs.

Specifically, both countries will work to improve trade conditions in the agricultural, steel, and automotive industries. I salute the courageous men and women in these industries for their willingness to support this agreement despite their short term sacrifices. This agreement will greatly increase the stability of cross-border trade for United States business, giving United States exporters the assurance that long-term commitments can be made to export to Canada without the fear of arbitrary disruptions through direct import restriction or other measures.

The United States-Canada Free Trade Agreement is truly an economic opportunity available only among free countries. We must use this opportunity to continue to strengthen both the United States and its allies around the world.

The CHAIRMAN. All time of the gentleman from Illinois [Mr. CRANE] has expired.

Mr. DE LA GARZA. Mr. Chairman, I rise to express my support for H.R. 5090, a bill to implement the United States-Canada Free Trade Agreement. As chairman of the Committee on Agriculture, I am especially interested in the effects that the agreement will have on agricultural producers in the United States.

The United States and Canada have a long history of trade in agricultural products. In fact, Canada is the third largest purchaser of American agricultural goods. In 1986, Canada imported approximately 2 billion dollars' worth of agricultural products from the United States. It

is my hope that the free trade agreement will enhance this trade relationship and increase United States agricultural exports to Canada in the years ahead.

The central feature of the agreement is the phaseout of all tariffs on agricultural goods over the next 10 years. This action is expected to increase the export of many agricultural commodities produced in this country, including fruits and vegetables, poultry and eggs, grains, wine, and other processed agricultural goods.

While our own tariffs on agricultural commodities will also be phased out, the United States will retain its rights under the General Agreement on Tariffs and Trade, and under current domestic laws, to guard against any drastic increase in the imports of Canadian agricultural goods into the United States. This will ensure that America's farmers have free, yet fair, trade with Canada, and prevent the dumping of any Canadian agricultural goods in the United States.

With regard to agriculture, H.R. 5090 will provide for the implementation of the free trade agreement by amending a number of statutes governing the facilitation, inspection, and limitation of imports of Canadian agricultural goods. The legislation is necessary if the United States is going to live up to its commitments under the free trade agreement.

Mr. Chairman, the free trade agreement is not perfect, especially with regard to its provisions regarding agricultural products. But on balance, the free trade agreement is a step in the right direction of eliminating trade barriers and promoting free and fair trade between the United States and Canada. Accordingly, I would urge my colleagues to support this legislation to implement the free trade agreement.

At this time, I would like to mention a very brief summary of the agricultural provisions of H.R. 5090, the United States-Canada Free-Trade Agreement Implementation Act of 1988.

BRIEF SUMMARY OF THE AGRICULTURAL PROVISIONS OF H.R. 5090

The provisions of H.R. 5090 that are within the exclusive or joint jurisdiction of the Committee on Agriculture will—

First, authorize the President to exempt both Canadian grains and sugar-containing products with 10 percent or less sugar by dry weight from section 22 import restrictions;

Second, authorize the Secretary of Agriculture to issue regulations that would allow the entry into the United States of certain veterinary biologics without a permit issued by the Secretary;

Third, require the removal of the origin-staining requirements for imported Canadian alfalfa and clover seeds;

Fourth, authorize the Secretary of Agriculture to permit imports of Canadian plants based on Canadian inspections when such inspections are equivalent to United States inspections;

Fifth, authorize the Secretary of Agriculture to establish regulations that would allow the importation of ruminants and swine and fresh, chilled, and frozen meat from areas of Canada free of foot and mouth disease and rinderpest, even if other areas in Canada may have such diseases; and

Sixth, approve the free trade agreement, certain letters exchanged between the United States and Canada interpreting the agreement, and the statement of administrative action proposed to implement the agreement, as submitted to Congress by the President on July 25, 1988.

There are a number of other provisions of H.R. 5090 that will directly affect the trade in agricultural products between the United States and Canada. Of these, there are provisions that will—

First, authorize the President to impose, under certain circumstances, a temporary duty on the importation of specified fresh fruits or vegetables from Canada;

Second, exclude Canada from the calculation of the quantity of meat articles that may be imported without triggering meat import quotas, adjust the minimum quota amount to reflect the removal of Canada from the calculation, and authorize the President to impose import restrictions on Canadian meat articles under limited circumstances;

Third, encourage the President to facilitate the preparation and implementation of common performance standards for the use of softwood plywood in construction applications in the United States and Canada, and require the President to report to Congress on the incorporation of common plywood performance standards into building codes in the United States and Canada;

Fourth, direct the President to enter into immediate consultations with the Government of Canada to obtain the exclusion from the transport rates established under Canada's Western Grain Transportation Act of agricultural goods that originate in Canada and are shipped via east coast ports for consumption in the United States;

Fifth, authorize the President to enter into negotiations with Canada for reciprocal quantitative limits on the trade of potatoes between the United States and Canada; and

Sixth, direct the President to take appropriate action to enforce United States' rights under the General Agreement on Tariffs and Trade in the event that Canada applies export controls on unprocessed fish or landing requirements for fish caught in Canadian waters.

Mr. HOUGHTON. Mr. Chairman, today we have the opportunity to vote on landmark legislation—legislation that is the most comprehensive of its kind ever negotiated between the United States and our neighbor to the north—Canada.

To call the United States-Canada Free Trade Agreement comprehensive almost understates its significance. It would liberalize bilateral trade on everything from agriculture and wine to automobiles and timber. Other provisions dealing with energy access and trade in services are the first of their kind. The pact would eliminate all tariffs and duties and remove most import and export restrictions by 1998.

Benefits to the two countries would be numerous. Canada would gain duty-free access to a market 10 times larger than its own, and the United States would gain duty-free access to a market of 25 million people.

By setting predictable rules for trade, the agreement would allow businesses to plan and invest more wisely. Consumers would enjoy lower prices as the cost of doing business would decrease with the abolition of tariffs and other barriers. Thousands of jobs would be created. And the stronger economies would make both of us more formidable competitors in the world market.

In 1986 the United States and Canada exchanged about $150 billion in goods and services, forming the largest trading partnership in the world. In New York alone, figures show $20 billion exchange of goods flowing between New York and the Province of Ontario. In the 34th District, which I represent, our wineries stand to gain the most. The pact will remove Canadian barriers—allowing New York wines to be shipped easier, in greater quantities and less expensively.

The pact represents a bold vision of the future for the United States and Canada. It's historic. It's a win-win situation. I support the free trade agreement.

Mr. ARCHER. Mr. Chairman, by approving today the United States-Canada Free Trade Agreement, its implementing legislation, and the accompanying statement of administrative action, we are concluding a lengthy, arduous, yet thoroughly heartening process. It will mark the end of the most important bilateral trade negotiation of the decade. In my view, it represents a major achievement for our two governments and the 100th Congress. We do much more than pass legislation today. We celebrate a historic agreement between the two largest of the world's trading partners. With its example as our guide, we set our sights on future bilateral and multilateral agreements.

This agreement will be assessed, discussed, and put into practice in the future as a model of how international trade should be conducted and how disputes should be resolved. It demonstrates how new areas such as services and intellectual property rights can be molded into effective trade disciplines, and how bilateral agreements can influence and lead the multilateral process.

Achieving such a far-reaching agreement was not without difficulties. Although sharing many common attributes, including the most open shared border in the world, the United States and Canada are two separate economies and cultures that inevitably have some conflicting policies and goals. Similarly, there are conflicting policies and goals within our own governments.

Yet, all sides met the challenges of this monumental task with a will to succeed. Consultations were extensive among the private sector and the Congress, and the administration was extremely responsive to accommodating potential problems of adjusting to the effects of the agreement. The result is an implementing bill that is more widely supported than any trade bill that we have ever considered.

I would like to make note of a few of the more important aspects of this historic document. Tariff cuts remain the primary achievement of the agreement. All tariffs between the two countries will be eliminated, many immediately. The remainder will be phased out over either 5- or 10-year periods. With tariffs averaging 3.3 percent in the United States with respect to Canadian imports and 9.9 percent in

Canada with respect to United States goods, the enormous benefits to both sides are self-evident. The two countries now collect almost $2.5 billion annually in duties which in the future will represent a significant savings to manufacturers, farmers, and consumers alike. The importance of eliminating all duties should not be underestimated. It is probably the most significant factor in directly facilitating trade expansion, and therefore job expansion, between our two great economies.

The numerous provisions in this agreement that relate to nontariff barriers to trade, or that represent understandings in nontraditional areas, are key to the long-term success of this agreement. These provisions range from disciplines on subsidies, including agriculture subsidies, to expanded government procurement opportunities and bilateral understandings in the areas of services, investment, financial services, and intellectual property rights. The resulting long-term benefits inevitably will be significant given the size of the two markets, the common goals we profess, and the leadership provided by both Canada and the United States in the international community.

There is one final point that I would like to emphasize. Probably as important as any aspect of the agreement's provisions is the overall message it sends from our two economies to the world at large. It says that the enormous difficulties that inevitably exist in any bilateral relationship can be overcome, and two diverse and dynamic economies can be set on a common path of cooperation, accommodation, shared risk and mutual gain. This agreement, along with the one we have already achieved with Israel, will serve as examples for bilateral free trade pacts around the globe.

More immediately, this agreement will serve as an example to participants in the Uruguay round of multilateral negotiations now underway in Geneva. It resoundingly affirms that mutually beneficial disciplines can be achieved in wide-ranging areas outside tariffs. It proves that the new dynamics of trade are not beyond our grasp and that the rules of international trade can accommodate evolving international trade activity. It can occur between the developing and the developed world, as we proved with the United States-Israel agreement, as well as among the trading giants.

We must not lose sight of the messages this agreement portrays. The Uruguay round is our next major goal, but other bilateral agreements are also realistic possibilities.

The Congress continues to have a key role to play. I urge my colleagues to affirm our responsibility by approving H.R. 5090, implementing the United States-Canada Free Trade Agreement.

Mr. GAYDOS. Mr. Chairman, I rise in opposition to H.R. 5090, the bill to implement the United States-Canada Free-Trade Agreement.

Since the President announced his intention to sign a free trade agreement with Canada last October, I have heard a wide variety of views on this complex treaty. I believe one of the most important of these issues is how it will effect our trade balance with Canada.

From the beginning of this administration, our bilateral merchandise trade deficit with Canada has gotten steadily worse. In 1981, we were $2.2 billion in the red, and last year the Canadians exported goods worth $11.9 billion more than those we sent them.

If our trade deficit with Canada has gotten $11.9 billion worse in 6 short years, who knows what will happen if trade restrictions between our two countries are lifted?

As chairman of the Congressional Steel Caucus, I have looked very closely at how the treaty could affect the steel industry and steelworkers.

Last year, Canada shipped more steel to the United States than any other country except for Japan. Canadian steel made up 18 percent of all the foreign steel entering the United States and it captured about 4 percent of the United States steel market.

In spite of this flood of Canadian steel, Canada has steadfastly resisted entering into the same steel voluntary restraint agreement which the United States has signed with 29 steel-exporting countries. For years, Canadian steel exports have been increasing, and there's no end in sight. This high level of imports means lost profits and lost jobs for the American steel industry.

Both American and Canadian workers and labor organizations are very concerned with the impact of the free trade treaty. According to the AFL-CIO, "the measure favors U.S. investors, services industries, and multinational corporations at the expense of U.S. workers." The AFL-CIO opposes the measure and they are joined by the United Auto Workers, the United States Steel Workers, and the Canadian Labor Congress.

In light of such united opposition, I believe we should seriously consider the implications the agreement has for our workers.

The FTA also establishes an unconstitutional trade arbitration board with higher authority than the U.S. court system. The treaty gives preferential treatment to Canadian auto makers; it overrides "buy American" provisions of United States laws; it weakens our energy independence; and it changes immigration laws making it easier for Canadians to enter America.

The most important problem with the FTA is that it does not address the thorny issue of the Canadian Government protection and subsidies on products like cars, wine, beer, grain, poultry, eggs, fish, and plywood.

Last year, the bilateral merchandise trade between the United States and Canada topped $135 billion with a United States deficit of $11.9 billion. How much worse would this get if the volume of trade were increased?

America and Canada have a common heritage, a common language, and many common interests, but we sometimes have very different economic interests. I believe that our two nations need to work together to improve the standard of living for all the people of North America, but the free trade agreement is not the best way to do that.

Mr. Chairman, the Canadian people are our greatest friends and our closest allies, so it is with real deliberation that I have to announce my opposition to the free trade agreement. I believe the treaty could further hurt our trade balance and I urge all of my colleagues to vote against H.R. 5090.

Mr. SENSENBRENNER. Mr. Chairman, I rise in complete support of the free trade agreement signed by President Reagan and Prime Minister Mulroney of Canada.

The United States and Canada have been doing business together for years. We share a common border and a common friendship. We are already the largest trading partners in the world. And there is room for more. The free trade agreement is a good idea and sets an excellent precedent.

Last year $135 billion in commerce took place between the United States and Canada. My home State of Wisconsin accounted for $2.8 billion of that trade, exporting 11 percent more than it imported. According to the Bureau of Labor Statistics, nearly 500,000 jobs in the Great Lakes region alone are supported by merchandise exports to Canada. Canada has welcomed the investment which makes us their largest foreign direct investor. The United States can only stand to gain from broadening the relationship and constructing what will amount to the world's largest shared market.

Mr. Chairman, although the free trade agreement is quite comprehensive, we have heard a lot of bickering about specific items which have not been included. When President Reagan and Prime Minister Mulroney signed the free trade agreement on January 2, both admitted that neither side got everything it wanted. However, the beauty of this agreement is its setting the stage for additional trade liberalization, bilaterally and multilaterally. It creates a framework through which all tariffs and restrictions on the movement of goods might one day be eliminated.

And isn't that our goal? The unrestricted flow of goods, free trade and open markets? If the United States could trade throughout the world as we have proposed with Canada—on a level playing field, without restrictions, barriers and tariffs—we would be much better off. Free trade—not protectionism—stimulates business, makes us more competitive, benefits the American consumer and strengthens the United States.

The free trade agreement is a landmark in U.S. trade policy which breaks new ground in the development of international rules for trade in services and investment and establishes effective procedures for dispute settlement. These achievements will undeniably promote our objectives at the Uruguay round GATT negotiations. Perhaps the many nations participating in those negotiations will take our cue and initiate similiar bilateral and multilateral efforts. I hope this encourages some of our trading partners, such as Japan, to review their trading postures with the United States.

Mr. Chairman, I must note that although we are here today to debate free trade, Canada has objected to the free use of Great Lakes water by areas of our Nation in dire need of this resource.

Barge traffic along the Mississippi River will lose between $150 to $200 million as a result of Canada's refusal to allow the Chicago water diversion into the effected water systems. Higher gas prices in Wisconsin are a negative result of the inability of barges to transit the river system.

We have to protect and defend the Great Lakers water system, however, we must also have access to it when we suffer drought or

disaster. I only hope the free trade agreement, when ratified and enacted, will encourage Canada to cooperate with the United States on issues such as the national disaster we are now facing, as well.

Mr. Chairman, above all the United States and Canada are neighbors, friends, allies and partners. The free trade agreement will preserve and envigorate that relationship, and immeasurably strengthen both nations.

Mr. DOWNEY of New York. Mr. Chairman, I rise today in strong support for H.R. 5090, the United States-Canada Free-Trade Agreement Implementation Act of 1988. As a member of the Trade Subcommittee I can attest to the hard work of countless Members and administration officials in bringing this historic agreement to a conclusion. I must commend my good friend, Chairman SAM GIBBONS, for his tireless efforts and his commitment to free trade; at times it seemed as if his drive was the only force that kept the process going.

I would like to deal briefly with one provision with which I was intimately involved in the energy chapter. Article 902:4 provides "In the event that either Party imposes a restriction on imports of an energy good from third countries, the Parties, upon request of either party, shall consult with a view to avoiding undue interference with or distortion of pricing, marketing and distribution arrangements in the other Party." Although the same provision appears also at article 407:4, within the chapter on border measures, its inclusion in the free-trade agreement grew out of the energy negotiations; in particular, discussions with respect to petroleum.

Under the agreement, the United States generally is obligated to exempt petroleum of Canadian origin from fees which in the future might be imposed on imports of foreign petroleum. If such import fees were imposed by the United States without Canada's adopting comparable import fees, however, an exemption for Canada from the United States fees would tend to draw increased quantities of Canadian crude oil and refined products into the United States market. This is because the United States fees would cause the prices of crude oil and products in the United States market to rise above the levels prevailing in Canada, allowing crude producers or resellers in Canada's western provinces, as well as refiners and product marketers in eastern Canada, to enjoy increased profits by diverting their goods from Canada to the United States market. This diversion would be particularly anticompetitive if Canada were the only country exempt from a United States import fee.

Such diversions in large quantities of petroleum or other goods subject to third country restrictions could be disadvantageous to both countries. These diversions could diminish supplies and drive up prices in Canada and artificially create price disadvantages for competing United States suppliers. The free trade agreement negotiators were unable to arrive at a mutually acceptable mechanism to be included explicitly in the agreement, in part because of the wide range of situations in which the issues could arise involving various kinds of third-country import restraints imposed by either country, and potentially involving many different kinds of goods.

Mr. Chairman, the urgency of resolving these issues may differ somewhat from one situation to another. Moreover, although the current administration is opposed to oil import fees, as am I, future administrations may have a different view. Therefore I worked with the chairman of the subcommittee, Mr. GIBBONS, the chairman of the Committee on Ways and Means, Mr. ROSTENKOWSKI, and the U.S. Trade Representative, Ambassador Clayton Yeutter, to develop language in the statement of administrative action to deal with this potential problem. It was my intent that, with respect to any future oil import fees from which Canadian crude oil or refined products are exempted, that the United States request consultations under article 902:4 of the free-trade agreement to avoid distortions in pricing, marketing and distribution arrangements, as soon as it appears likely that the United States will impose oil import fees, and in no event more than 7 days after such imposition. Consultations shall be conducted expeditiously, and the administration shall make every effort to reach a mutually satisfactory solution within 30 days. If the parties are unable to reach an agreement on a solution, unilateral actions shall be taken by the administration to avoid distortions and protect and enhance competition; and could be subject to the dispute resolution provisions of chapter 18 if Canada believed such actions were inconsistent with the agreement.

Mr. Chairman, we stand at the threshold of a bold new day in international trade. By passing this implementing legislation we can begin the long road back to a sound trade policy. I urge my colleagues to vote for this bill.

Mr. SCHULZE. Mr. Chairman, H.R. 5090, legislation to implement the United States-Canada free-trade agreement, is the culmination of 2 years of negotiations between the two countries which comprise the greatest trading partnership in the world. At times, as many of you know, these negotiations served as the textbook definition of acrimonious. However, whenever you bring to a negotiation table two countries which harbor such intense pride in their political and cultural sovereignty, any ensuing talks are bound to straddle the parochial.

I have always believed that an agreement aimed at providing for a freer flow of goods and services between the United States and Canada was not only a good idea, but also an essential tool to be used in gaining leverage in our dealings with the European Community and the Asian Pact. With particular respect to the EC, many of you are aware that by 1992 the EC member-nations aspire to have their trade and tariff laws in conformity with one another. Given the difficulties we now face in negotiating trade disputes with the EC, try to imagine the hurdles we will face when, 4 years from now, we have to contend with a truly unified EC. Clearly, neither the United States nor Canada could singlehandedly compete with the protectionist wall-to-be around the EC. But united in a free-trade pact, these two countries will have a better shot at doing just that.

Regrettably, I have not as yet laid to rest my concern that the United States became so obsessed with concluding an FTA that we overlooked the fact that a number of the pact's provisions stand to benefit Canadian interests at the expense or our own. In fact, it seems that our preoccupation with getting an agreement became so great that, at times, we essentially substituted process for results.

One particularly glaring example of this point is the tariff phaseout portion of the agreement. Currently, the average Canadian tariff is more than twice the average United States tariff. One would assume that such FTA negotiations would have provided just the vehicle for correcting this inequity. Unfortunately, that wasn't the case. By failing to insist that Canada bring its average tariffs to par with ours, United States firms will be kept at a disadvantage until all tariffs between us are ultimately eliminated—the majority of those requiring a full 10 years.

Am I calling this agreement a failure? No, I am not. The fact that all tariffs impeding trade between the United States and Canada are destined for elimination, however inequitable the phaseout may appear to be, is significant and certainly without parallel. U.S. negotiators scored gains in the financial services portion of the talks. Additionally, and without imposing new protectionist roadblocks, we have put Canadian steel firms on notice that the dumping and subsidization of its steel exports into the United States will not be tolerated. This agreement ensures that the Office of the United States Trade Representative shall continue to monitor imports of Canadian steel products into the United States, and will expect Canada to abide by its commitment not to take advantage of the voluntary restraint program currently in effect.

Is this agreement a gem and where we want to end up? No it's not perfect. Is the agreement a lemon? No.

Mr. Chairman, the United States-Canada FTA represents a good starting point and a positive indication of what the future holds for United States-Canada relations, provided Mr. Mulroney can wrest control of the FTA's destiny from Senate liberals up there. If, and when, that happens, we will enact into law a foundation upon which many great job creation and economic growth success stories can be realized.

With this in mind and with an eye to the future, I urge my colleagues to vote yes for H.R. 5090, the United States-Canada Free-Trade Agreement.

Mr. JEFFORDS. Mr. Chairman, I rise in strong support of this bill to implement the United States-Canada Free-Trade Agreement.

The free trade agreement is an important and historic step toward expanding international trade and removing trade barriers. The statistics are vast and continue to show improvements in our shared growth—$125 billion worth of goods traded between our two countries in 1986 alone. Ratification of this agreement establishes a long-term commitment to free trade by the two largest trading partners in the history of the world.

The agreement sends a strong signal to world negotiators during the Uruguay round of the GATT that our two countries are serious about encouraging free trade and are prepared to challenge unfair trading practices. This agreement will encourage other nations to follow the lead, to augment economic

growth by encouraging, not discouraging, free and open trade.

Based on an already friendly trading relationship with our neighbor to the north, this treaty solidifes that relationship. With elimination of tariffs, consumers will see a larger variety of goods and more competitive prices. Our national energy supply gets a boost by the establishment of ground rules designed to ensure stability in future energy contracts.

Roughly 80 percent of Canadian exports to the United States and 65 percent of United States exports to Canada arrive duty-free. Of the dutiable items, the Canadian tariffs average 9–10 percent, while the United States average is 4–5 percent. By eliminating the duty, those tariff dollars are eliminated from the cost of any formerly dutiable item, which will result in a lower cost to the consumer. Although the actuarian figures vary on the amount of consumer savings, it is clear tariff dollars will no longer be passed on to consumers.

The agreement will allow producers on each side of the border to have immediate access to much larger markets, and allow manufacturers to extend production runs to fill larger orders, resulting in lower costs per unit and ultimately, lower cost to the consumer. By enlarging the markets, there is an opportunity for all businesses to expand services and increase productivity. With the ratification of this treaty, the United States gains duty-free access to 25 million people, and Canada gains access to a market 10 times the size of its own.

Energy is a big consideration of this trade agreement. Both countries will agree on an elimination on restrictions on trading of crude oil, petroleum, natural gas, electricity, coal and uranium, with consideration for national security and short supply situations. The mutual energy trade between our two countries currently totals about $10 billion per year, with Canada being our largest foreign supplier of crude oil, natural gas, uranium, and electricity.

We know that our world resources are not infinite, that our national supplies of oil and electricity fall short of our needs, and that energy is an imperative and vital component of our national security. It is crucial for us to continue to secure additional proven and reliable sources of energy.

By providing assurances that energy exchanges across our mutual border will be subject to free and predictable treatment, the agreement provides a foundation for an increase in this vital trade commodity. By stabilizing the ground rules, we will ensure unprecedented predictability in energy trade and thereby encourage expansion in these markets. This treaty creates incentives for companies to invest in the capital expenditures necessary for future, long-term contracts. This treaty will encourage energy supplies from our friendliest, most dependable trade partner.

Underlying the United States-Canada Free-Trade Agreement is a certain sense of confidence about our country's ability to compete in the global marketplace. We have the confidence to say to the world that we can compete—not just hold our own but expand—in a global marketplace free of restrictive trade barriers.

I commend the administration for their diligent and purposeful work in negotiating this treaty. I salute the committees for their prompt action in approving the implementing legislation. And I encourage my colleagues to support this bill before us today.

I believe this treaty will benefit the economies of both our countries, it will symbolize the good faith that we share, and it will be an example to the rest of the world that free trade can be a reality. This treaty will encourage other nations to abandon their protectionist policies to realize the benefits inherent to a free flow of commerce.

Ms. SLAUGHTER of New York. Mr. Chairman, I rise today in support of H.R. 5090, a bill to approve the United States-Canada Free-Trade Agreement. This agreement has been carefully negotiated between the administrations of both governments. Approval of the House of Representatives today will mark the final phase of negotiation in the largest free trade agreement ever.

Many in my district are knowledgeable about free trade zones because of our experience with the Monroe Country Foreign Trade Zone granted last year. If the FTA is finally accepted by both the United States Congress and the Canadian Parliament, it will establish the largest free trade zone in the world.

This is an historic agreement. Canada is the United States' largest trading partner with bilateral trade between the two countries estimated to be in excess of $150 billion annually. The agreement will have significant effects on New York State, which has the second largest volume of trade with Canada, totaling over $16 billion.

There is no doubt that the agreement could be improved. I would be remiss if I did not share my concern about the way in which auto parts are treated in the agreement. I am hopeful, however, that the select binational automotive panel created under the agreement will provide a new avenue to make improvements in our bilateral automotive policy.

Overall, however, the FTA will be good for our area. By removing the tariffs on goods and services traded between the United States and Canada within a 10-year schedule, it will increase trade between the two countries. New York's wine industry will benefit under the FTA. Because of the agreement, the current discriminatory practices of Canada's Provincial Governments will cease and New York wine producers will receive fairer treatment of their product as they export and distribute their products throughout Canada. In addition, Rochester, NY, is one of the largest exporting cities in the Nation and is well placed to take advantage of these liberalized trading policies.

Mr. Chairman, the United States-Canada Free-Trade Agreement is clearly an improvement over the status quo and it lays the groundwork for future improvements. It is a major achievement in the area of trade and I ask my colleagues to join me today in support of this historic implementing legislation.

Mr. ST GERMAIN. Mr. Chairman, the United States-Canada Free Trade Agreement represents more than 3 years of work on the part of our two Governments to fashion a more open and fair trading framework.

In general the agreement is excellent trade policy. As it relates to trade in financial services, it is a major step forward for American firms doing business in Canada. In the past the Canadian operations of American firms have been hampered by restrictions which placed them at a competitive disadvantage against Canadian firms. There were limitations on the branching ability of United States banks that didn't apply to Canadian banks. There were limits on the financial service products that American banks could provide that did not apply to Canadian banks. And there were even limits on the total share of the Canadian market that could be controlled by American firms.

These restrictions stood in stark contrast to the manner in which the United States treated Canadian firms. Since the passage of the International Banking Act of 1978, Canadian banks, indeed all foreign banks, have been accorded national treatment. That meant that Canadian banks were treated the same as American banks. As a result of this agreement American banks will not be hampered by these unfair restrictions. They will be able to compete freely with Canadian financial institutions. As this agreement concerns trade in financial services, the vast majority of changes in existing law will have to be made in Ottawa, not in Washington.

Section 308 of the legislation before us today, would amend section 16 of the Banking Act of 1933 to authorize United States and Canadian banks to underwrite, deal in and purchase for their own account debt obligations backed by the full faith and credit of Canadian Governments to the same extent as they can currently trade in similar debt obligations of United States Governments. Because of our Nation's adherence to the principle of national treatment, U.S. banking law does not have to be extensively amended. This change does have symbolic importance however because it signifies our Nation's willingness to become full and fair trading partners with our closest neighbor.

As a result, I can support the substance of the legislation before us today, however I would be remiss if I did not express my concern over another subject that may lead me to vote against the bill. The free trade agreement provides that any further amendments to existing law required by future changes to the agreement be considered under the fast track procedure. While I am pleased that H.R. 5090 contains limited changes in laws under the jurisdiction of the Committee on Banking, Finance and Urban Affairs, there is no assurance that this will be the case in the future. I do not believe that the fast track procedure should be used for substantial changes in law. It provides any administration with an opportunity to evade the committee process and the normal deliberations that are needed to perfect legislation.

In this instance the administration did consult with the Banking Committee and did submit legislation that was responsive to the committee's concerns. However other administrations, on other issues may not be as responsive. For any committee of this House the fast-track procedure is fraught with danger. In the future it is possible that an ad-

ministration could package several noncontroversial provisions with a provision that is vigorously opposed by a committee or by this House. Under the fast-track procedure the administration could submit legislation containing the objectionable provision to the Congress and we would be forced to accept the entire package or risk embarrassing our national leaders by defeating a major international agreement. Under this fast-track agreement there is the very real possibility that a committee can be ignored in a way that is simply not possible under normal legislative procedure.

Mr. Chairman, I understand that there is no mechanism for us to repair this serious defect today. This is a problem with any free trade agreement not only the agreement before us today. I do want to put any future United States administration or Canadian Government on notice that changes in laws under the jurisdiction of the Committee on Banking Finance and Urban Affairs will be closely scrutinized and that problems which remain between our countries within the committee's jurisdiction would best be handled through the normal legislative process if we are to increase the likelihood of support by the Committee on Banking, Finance, and Urban Affairs.

Mr. GRADISON. Mr. Chairman, I strongly support the United States-Canada Free Trade Agreement and the implementing legislation, and I urge my colleagues to vote in favor of it.

The free trade agreement will create the largest free trade area in the world, exceeding the European Economic Community by more than $1 trillion. The reduction of tariff and other trade barriers over the next 10 years between our two countries will provide substantial benefits to both our economy and the Canadians'. Importantly, this historic agreement reaches beyond just trade in goods and establishes freer trade in services, energy and investment.

This agreement holds out the promise of millions of new jobs and a higher standard of living for all Americans. Studies indicate that U.S. GNP could increase by $45 billion as a result of this agreement. That is an average increase of $740 for a family of four. The benefits do not stop there, however. Consumer prices will fall as well. This accord will directly lead to a higher standard of living in both countries.

American companies should register significant gains. Canadian tariffs will be reduced from an average of 9 percent to zero, while United States tariffs are reduced from an average of 4.5 percent to zero. Through these reductions, American companies will be better able to compete in Canada.

American industry will be more competitive on a global scale because of this agreement. The reduced costs of Canadian imports will lower domestic production costs. Greater access to the Canadian market will mean larger economies of scale. The more efficient allocation of resources will benefit the economies of both countries.

Aside from the removal of all tariff barriers by 1999, the accord ends all restrictions on energy imports and exports. This will provide more secure and lower cost energy supplies for America. It also removes barriers to trade in services and investment. The accord will permit United States banks to acquire Canadian assets, and Canadian banks will receive equal treatment under American securities laws.

The agreement improves the 1965 United States-Canadian Auto Pact. It immediately repeals Canada's embargo on used cars and its export tariff subsidies. All other restrictions are eliminated in 5 or 10 years. These provisions liberalize the trade in automobiles, but still protect American and Canadian automotive manufacturers by requiring that at least 50 percent of the value of the vehicle be made in North America to receive the benefits of the free trade agreement.

Free trade is in the interests of the United States. Now, we need to build upon this agreement, and continue to create freer trade in the world. The United States-Canadian Free Trade Agreement and implementing legislation deserve our overwhelming support. They are clearly in the best interests of both our countries. America and Canada will benefit directly from our increased bilateral trade, and will benefit from increased competitiveness in the world economy.

Mr. JOHNSON of South Dakota. Mr. Chairman, I rise in opposition to the passage of the Canadian Free Trade Agreement. I associate myself with the remarks of my colleague from North Dakota, Mr. DORGAN.

Mr. Chairman, while I support the concept of free trade between the United States and Canada, as a representative of a heavily agricultural State, my concerns are twofold.

First, I do not believe this agreement provides equal access to agricultural markets, and it inadequately deals with transportation and other subsidies unfairly benefiting Canadian farmers and ranchers.

Second, I do not believe this agreement adequately deals with the issue of agricultural production levels in Canada. Our hopes to arrive at a farm economy based on good market prices rather than on Government subsidies will be set back by opened borders so long as our Nation attempts only unilateral production control.

It is with regret that I oppose this agreement, but I nonetheless urge my colleagues to oppose its passage.

Mr. CHANDLER. Mr. Chairman, I am pleased to rise in support of H.R. 5090, a measure to implement the United States-Canada Free-Trade Agreement signed by President Reagan and Prime Minister Mulroney on January 2 of this year, and to commend the chairman of the Committee on Ways and Means and the Subcommittee on Trade for their diligence in guiding this measure through the legislative process.

Imagine for a moment a free trade zone extending from the upper reaches of Alaska all the way to Antarctica. Imagine goods and services traded freely across national borders and between continents. That is the ultimate objective of those of us who call for free trade: not just the reduction, but the elimination of tariffs and duties between nations.

The measure before us represents an important first step toward that goal.

Free-trade arrangements are hardly a new concept: The European Economic Community is probably the best-known example of a multilateral trade consortium. The idea isn't new to the United States either. The United States and Israel have operated a free trade accord for the past 3 years.

But the scope of the United States-Canada Free-Trade Agreement is breathtaking. it is the most ambitious bilateral trade agreement in history. Ratification of the FTA will set into motion a process that will eliminate tariffs and open markets between the world's two largest trading partners.

The economic growth potential for both countries is enormous. Canada is already America's best and fastest-growing export market, buying twice as many United States goods as Japan. Annual trade between the two countries has been estimated at more than $125 billion in goods alone. With the elimination of tariffs and the reduction of nontariff barriers, two-way trade is expected to increase by $25 billion in the next 5 years. Those numbers add up to jobs.

Of course, no agreement is perfect. In the Pacific Northwest, we were particularly troubled that the agreement would eliminate tariffs on plywood, but allow the Canadians to keep in place their nontariff barriers to United States exports. That isn't free trade, and it certainly isn't fair trade. The measure before us exempts reductions in plywood tariffs until common performance standards can be developed. I'd like to thank the gentleman from Florida [Mr. GIBBONS] for his patience and forbearance in making this much-needed improvement to the implementing legislation.

Mr. Chairman, the measure before us is a remarkable achievement and deserves the support of every Member of this House. The very sweep of this agreement underscores what needs to be done to address this Nation's trade deficit. The solution doesn't lie with erecting barriers, it lies in tearing them down, and building bridges in their place.

Mr. MARLENEE. Mr. Chairman, I appreciate having the opportunity to give my views on the United States-Canada Free-Trade Agreement.

As we all know, President Reagan and Canadian Prime Minister Mulroney signed on January 2 a comprehensive free-trade agreement to eliminate trade barriers between our two countries. While I welcome steps toward promoting free trade worldwide, I have serious concerns about the impact and ramifications the agreement will have on Montana's economy.

My record on trade votes points away from knee-jerk protectionism. I have consistently voted against the omnibus trade bill in its many forms because I believe that the overall thrust of the legislation was too protectionist, even without the plant-closing notification provision.

However, as any student of geography can observe, the United States-Canada Free-Trade Agreement will have a large impact on the economy of the northern border States. I believe that the administration and congressional supporters of the agreement did not fully take into account the unique interests of the border States, who daily live with problems of trade with our northern neighbor.

In the past, agricultural products, timber, and minerals have been exported by Canada into the Untied States at artificially low prices, often made possible by Canada's importation

of European Community products. The result has produced negative effects on the border State's economy.

Ninety-five percent of Canada's grain production is spring wheat, durum, and barley, which are the primary grains grown in Montana. There is virtually no market in Canada for United States grain. Yet, the Free-Trade Agreement would allow Canada's grain trade to compete against Montana grain for United States domestic markets.

The Free-Trade Agreement also does not resolve problems facing U.S. products of wheat and feed grains because of Canadian rail transport subsidies. Although the agreement supposedly reduces some negative effects regarding grains shipped to western terminals, it does not remove the clear advantage given Canadian growers whose product is shipped to the Great Lakes.

In essence, Mr. Chairman, we would give Canada free and unrestricted access to all United States markets east of the Mississippi while our own western producers would be held at a disadvantage in those same markets.

In addition, the agreement puts off the controversial subject of Canadian subsidies for metal production. The Free-Trade Agreement aims to resolve this problem in multilateral forums. We all know what that means: no resolution of this intractable issue. This agreement could result in the loss of as many as 1,000 Montana mining jobs if Canada continues to subsidize its metals industries. For example, the Asarco smelter at East Helena, which employs 350 workers, may be forced to close if Canada continues to undercut market prices.

I am also concerned about the establishment of the binational panel to settle trade conflicts between Canada and the United States. A majority of this panel could be Canadians, who would be biased toward keeping subsidies. Mr. Chairman, I am concerned about removing trade disputes from the impartial International Trade Commission to a contentious Canadian-United States Trade Commission.

Finally, I don't believe that this fast-track approach to the Free-Trade Agreement is warranted, especially after opponents in the Canadian Parliament conducted a rare parliamentary maneuver to effectively bury the agreement. Opponents to Prime Minister Mulroney will hold a referendum on the agreement in the upcoming fall elections.

Why should we be so anxious to approve the agreement when the Canadians might hold us over a barrel as the deadline approaches? Why was the implementing legislation rushed through committee? Even if Prime Minister Mulroney wins this election, there still remains serious doubt about the ability of sustaining Canadian support for the agreement over the long haul.

I regret, Mr. Chairman, that I will vote against the United States-Canada Free-Trade Agreement. Perhaps if the appropriate committees had more time to analyze and correct some of the technical problems of the implementing legislation, I would be inclined to support it. However, as the United States-Canada Free-Trade Agreement now stands, I do not believe that it is in the best interests of the State of Montana.

Mr. VENTO. Mr. Chairman, I rise in support of H.R. 5090, legislation to implement the bilateral United States-Canada Free-Trade Agreement. First, I congratulate the distinguished chairman of the Ways and Means Committee, Mr. ROSTENKOWSKI, as well as the chairmen and members of the seven other committees, two of which I serve upon, that considered this landmark legislation. They have certainly done a good job in carefully studying the implications and impact of this legislation for our Nation's economy, for our workers, and for our businesses. This agreement because of the constant dialogue with the administration is much improved from when it was first proposed as to when it was submitted to the U.S. Congress for ratification. I realize that there are members and constituencies who are still not satisfied with this legislation and with some of the changes that the United States-Canada trade pact will bring about. Certainly, I am not totally pleased with every aspect of this measure. This is not a perfect agreement. It does, however, move us in the direction that we ought to go in our trading relations with Canada and therefore serves as a model for future agreements with other nations.

H.R. 5090 provides for the reduction and elimination of almost all tariffs on United States and Canadian products in bilateral United States-Canadian trade within 10 years, including tariffs on many agricultural products. Current Canadian tariffs on United States imports are generally between 9 and 10 percent, or more than double current United States tariffs on Canadian imports, which average only about 4 percent. Eliminating tariffs on agricultural products is especially important to farmers in my home State of Minnesota, which also shares a northern border with Canada.

It is also important to many of my constituents in St. Paul, who work in industries and services related to agriculture. Short-term concerns because of the currency imbalance today may well diminish in the future as our markets become more open. The agreement reduces and eliminates export subsidies on agricultural goods exported directly or indirectly to the other country, and the agreement not to export goods at a price below actual production costs will insure our agriculture sector access to a free and fair market for their products on equitable terms. At a time when many of our farmers nationwide have suffered from the twin blows of a weak farm economy and a severe drought, the importance of expanding the Canadian market for U.S. agricultural products cannot be overstated.

The United States and Canada, through the Free-Trade Agreement, have agreed to give so-called national treatment—in other words, to treat the other nation's investors as favorably as its own investors in the establishment, acquisition, operation, and sale of businesses with the exception of transportation, and to prohibit the imposition of new restrictions in the future. This provision embodies the principle of reciprocity in our trade relations in a substantive manner and should again serve as a further example to our other trading partners.

Both nations—the United States and Canada—have agreed to eliminate and prohibit numerous restrictions on imports and exports of crude oil, petroleum products, natural gas, coal, electricity, uranium, and other nuclear fuels. These provisions benefit Minnesotans and others who live in northern tier States, which are highly dependent upon energy resources for heating their homes and providing the necessary energy to run their factories, farms and other businesses. Many persons living in the northern states are also closer to lower cost energy sources in Canada than they are to similar energy sources in the United States. Yet existing restrictions dictate that those in the border States must often purchase more distant, and more expensive energy from other areas.

The creation of a Canada-United States Trade Commission, is of real significance, with legal authority to resolve most trade disputes with certain specified remedies, is a high tribute to the good will which exists between our two nations. Special provisions dealing with antidumping and countervailing duty cases recognize that some trade problems are of a more insidious and serious nature than others and that they must be appropriately remedied.

Mr. Chairman, while there are still many serious trade problems which confront our Nation around the world, clearly, United States-Canadian trade relations now stand in a very special position. The passage of the United States-Canada Free-Trade implementing legislation does not in any way preclude us from addressing trade-related issues which may not be specifically mentioned in this measure but which will surely arise at some future date. H.R. 5090 represents a good faith attempt to institutionalize fairness and equity in bilateral United States and Canadian trade relations. The measure deserves our support and our best effort must continue to focus on trade problems and the global market place which has such a profound affect upon our domestic economy today and tomorrow.

Mr. BRYANT. Mr. Chairman, the United States-Canada Free-Trade Agreement implementing legislation now before the House, which the administration is enthusiastically urging Congress to approve, endorses and ratifies the continuation, in a modified form, of the Investment Canada Act, the Canadian Government's registration and review process for foreign investment there.

If this agreement is adopted, Canada will, with our Government's official blessing, not only continue to require the extensive reporting of most United States investment in Canada but will also continue its prescreening process and other restrictions in the full range of Canadian industries, whose American counterparts are completely open to Canadian investors.

During the debates on H.R. 3, the omnibus trade bill, I offered an amendment merely to require disclosure of major foreign owned interests in the United States. For most investors, it asks only, "Who are you, where are you from, and what have you got?"—information that would fit on a postcard. Even for controlling interests in large U.S. businesses, it asks only for basic financial data, less than what much smaller publicly traded American

corporations already disclose to the Securities and Exchange Commission. It establishes absolutely no restrictions or preclearance requirements of any kind.

Treasury Secretary James Baker and other Reagan officials banded together with foreign lobbyists to defeat my proposal, which asks no more than that major foreign investors sign in after they have walked through our open, door. The United States would still have the most open foreign investment policy in the world—in stark contrast to virtually every other nation, most of which not only require extensive registration, but also impose restrictions and preclearance requirements.

Secretary Baker and the Regan administration argued that mere registration here would inhibit foreign investment, even though more extensive registration, preclearance requirements and restrictions have not inhibited permissible investments in other nations.

The Reagan administration hypocritically endorses the Investment Canada Act's disclosure requirements and restrictions on United States investment in that country, while opposing minimal registration of foreign investment here.

The Investment Canada Act requires more disclosure than my amendment requires. In addition, it has investment restrictions and a preclearance process. Yet Reagan adminstration negotiators have endorsed the Investment Canada Act, part of the United States-Canada Free-Trade Agreement, which Secretary Baker is lobbying Congress to approve.

The administration hails this trade agreement as a milestone for free trade and open investment and as a victory for United States negotiators. In light of Canada's restricting and blocking provisions endorsed in the United States-Canada Free-Trade Agreement, I am compelled to ask, "How can Secretary Baker and the Reagan Adminstration consistently endorse this agreement, but insist that a simple reporting requirement in the United States grossly violates all notions of free trade and open investment.

Although I seriously question the wisdom of the one-sided provision that permits Canada to continue registering, prescreening, and restricting United States investment there while our administration continues to oppose comparable authority for the United States, overall, the good aspects of the United States-Canada Free-Trade Agreement outweigh the bad. It will create the largest free trade area in the world, removing all tariff barriers within 10 years. It will create substantial international business opportunities for both the United States and Canada. While the enactment of strong and responsible trade legislation will strengthen the United States' hand at the negotiating table and help remove foreign trade barriers to American products, the adoption of the United States-Canada Free-trade Agreement will help set an example of the benefits to be gained from free and fair trade.

But I urge this and future administrations not to trade away to other nations rights we do not seek to preserve for ourselves.

It is my understanding that the United States-Canada Free-Trade Agreement now before the House for consideration will create the largest free trade area in the world, removing all tariff barriers within 10 years. It will create substantial international business opportunities for both the United States and Canada.

Consistent with the goal of this Free Trade Agreement is a 40-year-old Greyhound bus service between Montreal, Canada, and New York City and Montreal and Burlington, VT. It is an important service in promoting the free flow of trade in goods and services between the United States and Canada, as well as providing a vital passenger service to rural communities in New York and Vermont. Currently, these bus operations are the only affordable and reliable scheduled transportation service in the numerous small towns and communities in rural New York and Vermont. The Amalgamated Transit Union supports the preservation of this service in order to protect the jobs of its Candaian and American members.

It is my further understanding that neither the United States-Canada Free-Trade Agreement in schedule 1 to annex 1502.1, nor the implementing legislation alter current law with regard to the ability of Greyhound's Canadian-based operators to enter the United States. The continuation of this important service will further the objectives of the United States-Canada Free-Trade Agreement.

Mr. MAZZOLI. Mr. Chairman, I would like the record to reflect that during the course of today's deliberations on the implementing legislation for the United States-Canada Free-Trade Agreement, the gentleman from New York [Mr. SCHUMER] engaged me, in my capacity as chairman of the Subcommittee on Immigration, in the following discussion:

Mr. SCHUMER. Mr. Chairman, it is my understanding that the objective of the Canada-United States Free-Trade Agreement is to eliminate barriers to trade in goods and services.

Consistent with the goal of this free-trade agreement is a 40 year old Greyhound service between Montreal and New York City and Montreal and Burlington, Vermont. This Greyhound service promotes the free flow of trade in goods and services between our two countries, and provides passengers service to rural communities in the States of New York and Vermont.

Currently, these bus operations are the only affordable and reliable scheduled transportation service in the numerous small towns and communities in rural New York and Vermont. The preservation of this service is supported by the Amalgamated Transit Union in order to protect the jobs of its members from both the United States and Canada.

It is further my understanding, Mr. Chairman, that the trade negotiators did not intend to eliminate this vital service between Canada and the United States.

Specifically, Mr. Chairman, is my understanding correct that neither the fair trade agreement annex 1502.1 part A and its schedule I, nor H.R. 5090, the implementing legislation, are meant to alter current law under the Immigration and Nationality Act regarding the Greyhound Canadian-based transportation operators?

Mr. MAZZOLI. The gentleman from New York is correct in his understanding.

Mr. SHUMWAY. Mr. Chairman, I rise in strong support of the United States-Canada Free-Trade Agreement which will have profound effects on the way we do business with our friend and neighbor to the North.

For years we have shared with Canada the longest undefended border in the world. This trade agreement will bring our nations one step closer by virtually eliminating tariff and nontariff barriers and creating the world's largest free trade area.

In 1987 the United States and Canada exchanged over $166 billion in goods and services which exceeds the bilateral trade of any two countries in the world. Canada's trade with California alone totaled $6 billion last year making Canada the State's fourth largest trading partner. This substantial bilateral trade combined with Canada's investment of $5.2 billion in property, plant, and equipment, which makes Canada the largest foreign investor in the State, supports 120,000 jobs in California.

Over the next 10 years the Free-Trade Agreement will eliminate all tariffs on United States and Canadian goods, eliminate import and export quotas which are inconsistent with the GATT, ensure national treatment for U.S. investors and imported goods, prohibit the use of product standards as a trade barrier, and eliminate all bilateral tariffs and export subsidies for agricultural products. The FTA also provides important dispute settlement and consultation procedures for addressing trade problems.

The FTA will have a major impact on every segment of our economy, particularly agriculture. Canada is the third largest export market for California agriculture behind Japan and the European Community. In 1986, California exported almost $600 million in agricultural commodities to Canada and imported less than $200 million worth of Canadian agricultural goods.

Over time this trade agreement will strengthen the economies of Canada and the United States, create thousands of jobs, and provide lower prices and greater selection for consumers. It serves as a model for improving trade relations with other countries.

As we approach the end of the 20th century, the time has clearly come for every sector of our economy to look for opportunities beyond our borders.

Mrs. COLLINS. Mr. Chairman, neighbors have very unique relationships. The level of their interdependency is much higher than that of geographically distant friends. For example, if water pours over one's property line, the whole relationship might get soggy. Neighboring countries have a similarly special relationship.

The United States-Canada Free-Trade Agreement is a substantial step by two neighbors toward recognizing and responding to the special nature of their economic relationship. The spirit in which it was conceived is entirely laudable, as accommodation of each other's needs was shown to be a priority for each country. While we remain steps away from having a common market as practiced in some regions of the world, our two countries used this agreement to emphasize each other's economic attributes and resources so that both countries can benefit by the assets of each country.

The free trade agreement contains some provisions which primarily benefit Canada, just

as it contains provisions which primarily benefit the United States. But the idea of give-and-take is, of course, the fundamental principle behind a negotiated agreement. Some critics have expressed views that the United States was forced to give substantially more than it received. But after extensively considering various aspects of the agreement, it appears to me that an appropriate balance has been struck.

For example, a significant benefit to the United States is that Canadian energy resources will become much more readily available to us than at present. Also, the U.S. automobile industry will benefit through the elimination of tariffs even though this will be accomplished over a 10-year period. Another major benefit to the U.S. is the inclusion of financial services, which will result in American companies being able to function in Canada's banking, insurance, and securities industries in ways which they cannot function here. And, one of the greatest benefits to the United States from this agreement is the simple fact that it addresses various service industries. This sets a very benefical precedent for the upcoming round of GATT talks. The free-trade agreement will demonstrate to the world that services are appropriate to be included—and must be included—in the GATT talks.

Once again, Mr. Chairman, I feel that the free-trade agreement offers much to the United States and I urge my colleagues to support this measure.

Mr. KEMP. Mr. Chairman, I want to give my strong support today for H.R. 5090, the implementing legislation for the United States-Canada Free-Trade Agreement negotiated by our two nations.

Open trade is one of the chief cornerstones upon which a free, democratic society is based. As President Kennedy declared, "closer economic ties among all free nations are essential to prosperity and peace." I believe that the United States-Canada Free-Trade Agreement represents the first important step toward creating a North American Free Trade Area encompassing not only Canada and the United States, but also Mexico and the Caribbean Basin countries. This free trade agreement destroys many layers of the trade barrier wall which has existed between the United States and Canada.

Unlike the recently enacted omnibus trade bill, this legislation moves us in the right direction of expanded trade, stronger economic growth, more jobs, and a higher standard of living for all Americans. The benefits of free trade with Canada are clear. Bilateral trade is estimated to expand by more than $25 billion within the next 5 years. Our GNP should increase by $12 billion to $17 billion, and more than 500,000 new jobs will be added to our economy.

In my opinion, this agreement, which creates the world's largest bilateral free trade area, will act as an incentive to other countries to expand trading opportunities with the United States. Our other trading partners will find their goods and services at a disadvantage in this new market, and I believe they will seek out trade liberalization with the United States in order to remain competitive.

My own region of western New York will reap tremendous benefits from expanded trade with Canada. The Buffalo area's role as one of the gateways between the two countries will mean more jobs for western New Yorkers and increased prosperity for the area's residents. More than 4,000 trucks a day already cross the Peace Bridge in the Buffalo area, moving the flow of goods between our two countries. I am confident that this level will increase dramatically once this agreement is implemented.

Canada is our most important trading partner, with more than $160 billion in goods and services moving across our common borders in 1987. The United States sells almost as much to Canada as it does to the entire European Community. In fact, we export more to the Province of Ontario than we do to Japan. Almost 25 percent of our exports go to our northern neighbor, and more than 2 million Americans depend upon trade with Canada for their jobs. Canada sends more than three-quarters of its exports to the United States, with 2.2 million Canadians relying upon those exports for their jobs.

The free trade agreement will eliminate all tariffs between our two countries within 10 years. It also will gradually eliminate almost all import and export restrictions and prevent the imposition of most new restrictions on goods and services flowing between the countries. The agreement establishes a new commission which will expedite decisions on trade disputes that arise. Farmers, manufacturers, and investors, as well as consumers, will all benefit from this expanded trade.

While the agreement does not eliminate all barriers to trade, it is a dramatic improvement over the status quo. And, I am confident that it is not the final word in trade negotiations between our two nations.

I believe this free trade agreement represents a unique chance to expand prosperity and economic opportunities within both countries. It is a win-win situation. I urge my colleagues to vote for this legislation, and I look forward to the day when Canada, the United States, Mexico, and all our hemisphere are joined in one large common market of trade, peace, prosperity, and democracy.

Mr. MOODY. Mr. Chairman, I rise in support of the United States-Canada Free-Trade Agreement and I hope it will be approved by a large margin today. Canada is our largest trading partner and my State of Wisconsin benefits significantly from that trade.

In large part, however, the long-term success of this agreement depends upon how we view it today. It must be clear in all our minds that this agreement is a beginning and not an end to our efforts to expand and open trade with Canada.

If we approve this agreement today and then turn our attention to other issues, we will leave the job unfinished. But if we continue the momentum of these negotiations and move on to tackle the critical trade barriers that remain, then we will have made a tremendous contribution to the long-term economic security of this country. It is in that spirit that I support this agreement today.

This agreement does not adequately deal with two important sectors: beer, and intellectual property.

While the proposed free trade agreement calls for a significant reduction of tariff and nontariff barriers in wine and distilled spirits, it does not apply these requirements to beer. The Canadian provinces have established a series of nontariff barriers, such as discriminatory pricing and tightly controlled provincial licensing, that make it impossible for American producers to compete on an equal footing with Canadian brewers.

I encourage the administration to continue to raise this issue within the framework of the General Agreement on Tariffs and Trade [GATT] since beer is currently the subject of a suit brought against Canada by the European Community.

Second, cultural industries—specifically, the distribution of American movies, television programs, and home video materials—are not covered by the free trade agreement. I urge the administration to continue to pursue this issue, as it is now doing, under separate negotiations. While the United States should respect legitimate Canadian concerns over cultural sovereignty, it should vigorously oppose barriers erected primarily for economic, rather than cultural, purposes.

We should send a clear signal to Canada that the exclusion of beer and deferral of cultural industries concerns does not reflect a lack of interest or commitment to the sectors. Their exclusion does not represent an implicit endorsement of Canadian trade barriers but an added incentive to vigorously pursue remedies through other channels, such as the GATT or bilateral understandings. Taken in that spirit, I strongly endorse this historic agreement.

Mr. GALLO. Mr. Chairman, I urge my colleagues to support ratification of the free trade agreement with Canada. This landmark agreement is a victory for the principle of free trade and a victory for the thousands of American and Canadian workers who will have new and challenging jobs as a result of our closer trade relationship. Free and fair trade creates job opportunities on both sides of the border.

In particular, this agreement is good for America and it is good for New Jersey.

The United States-Canada Free-Trade Agreement [FTA] has the potential to improve the competitiveness of New Jersey industries that produce finished goods and can pave the way for cooperative agreements to meet State energy needs into the 21st century.

As an active advocate for improved export opportunities for small, as well as larger, businesses, I believe in the principle of free trade. No agreement between nations is perfect, but on balance this is a good agreement.

Because Canada is our largest trading partner, this free trade agreement will provide a level playing field for the 25 percent of Canadian trade that is currently subject to protective tariffs.

This is particularly significant to our telecommunications and chemical industries. This agreement will end discrimination against our growing service sector now restricted by laws giving priority by nationality.

As an active member of the steering committee of the Northeast-Midwest Coalition who has worked closely with our U.S. representatives, I believe this agreement lays a solid foundation for development of policies and issues that benefit the region.

Although it will be 10 years until all tariffs imposed on trade between the United States and Canada are removed, those New Jersey industries whose goods are a part of the early phases of the tariff reduction process will see the benefits of this bilateral free trade package in the near term.

These tariff reductions are good news for finished goods producers, as well as for the pharmaceutical industry, which can potentially benefit from this new environment.

In addition, the agreement promises to clear the way for increased cooperation between New Jersey utilities and energy producers to create more stable sources to meet our needs into the 21st century.

I have joined with other members of the Northeast-Midwest Congressional Coalition to exchange views with United States Trade Representative Clayton Yeutter, with members of Canadian and Provincial parliaments, and have worked closely with State and industry officials to assure adequate presentation of the region's concerns during the FTA negotiating process in preparation for today's vote.

If the FTA is ratified, this bilateral agreement will increase trading between the two countries that already enjoy the largest trading relationship in the world—the United States and Canada. It is an historic step to remove trade barriers across this broad range of goods and services.

As a member of the House Committee on Small Business, I am anxious to develop trade missions and other efforts to increase the visibility of New Jersey small business goods and services in Canada. Because of my role with the Northeast-Midwest Coalition, I have met with the principals and I share their belief that this is positive for our State and the region as a whole.

I urge my colleagues to support this free trade agreement as a model for bilateral cooperation and to send a clear message that we are committed to a policy of good trade relations.

Mrs. LLOYD. Mr. Chairman, I rise in support of the United States-Canada Free-Trade Agreement.

On January 2, 1988, President Reagan and Canadian Prime Minister Mulroney signed a trade agreement that could greatly expand the opportunities for free trade with Canada and bolster economic activity on both sides of the border. The trade pact eliminates tariffs between the two nations over the next 10 years, bars future restraints on investment and trade in services, and guarantees United States access to Canadian oil, gas, and uranium.

The trade accord will become effective only if Congress approves the legislation before us today to implement it followed by the subsequent approval of the Canadian Parliament. I strongly support this trade pact. At stake is the growth of the largest trading partnership in the world. Both the United States and Canadian Governments predict that stronger, more closely linked economies will result from the agreement. To the consumer, that should translate into reduced prices and a greater diversity of products. For the worker, it should mean more jobs.

Trade with Canada has been especially profitable for my own State of Tennessee which exports about one-quarter more to Canada than it imports from there. In fact, Canada is Tennessee's largest trading partner. In 1987, Tennessee exported 536 million dollars' worth of goods to Canada, which is more than three times that to Japan—our second largest trading partner—to whom we exported 150 million dollars' worth of goods that same year.

The importance of Canadian trade to the State of Tennessee cannot be overstated. The Tennessee industries involved are vast and have far-reaching effects on the economy of the State and the economic health and prosperity of our entire Nation.

During 1987 alone, the list of products Tennessee exported to Canada included: $39 million in transportation equipment; $21 million in industrial and communications machinery and computer equipment; $18.4 million in chemicals and allied products; $15.2 million in electronic/electric equipment and components; $5.4 million in rubber and miscellaneous plastic products, $4.2 million in printing, publishing and allied industries; $2.8 million in measuring, analyzing and controlling instruments, $2.5 million in primary metal; $2.1 million in fabricated metal products and $1.7 million in stone, clay, glass, and concrete.

In terms of agriculture, the products Tennessee exported to Canada in 1987 included $1.4 million in food and kindred products, $854,000 in forestry products, $473,000 in lumber and wood products, $67,000 in agriculture production/crops, $51,000 in tobacco products and $2,000 in livestock and animals.

These figures illustrate the critical importance of the United States trading partnership with Canada in Tennessee alone. As nations, we are each other's largest trading partners. I urge my colleagues to join with me in supporting the implementation of this historic trade agreement to create a long-term environment for enhanced economic growth and better overall relations between our two nations.

Mr. GIBBONS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before I yield back the balance of my time, I think it appropriate to pay some attention to the process by which this legislation was developed. It is a tribute to our country and to the country of Canada as to the thoroughness with which this problem has been approached.

This is a fair agreement, fair to both the Canadians and to the United States. Its development was not accidental. The work of our fine staffs here on the Hill, both the majority staff sitting here with me and the minority staff on the other side, have contributed to it.

The work of the U.S. Trade Representative and his bargaining people have contributed to it. The work of the International Trade Commission and all of the economists and scientists down there who worked hard on it also deserve praise. Then certainly, neither last nor least, the private sector of business in the United States and the private sector of business in Canada had a lot to be proud of for their involvement in all of this.

Mr. RICHARDSON. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from New Mexico briefly. I know he wants to say something.

Mr. RICHARDSON. Mr. Chairman, I thank the gentleman for yielding and I rise in opposition to the agreement.

The United States-Canada Free-Trade Agreement harbors the beginning of a new era in our Nation's relations with Canada. However, I cannot join those who support the agreement. This agreement is so sweeping, so broad in scope, that it fails to properly address the concerns of many areas of the U.S. economy which would suffer unduly from swiftly enacting the agreement. This is particularly relevant in regards to the domestic uranium industry.

This issue is of particular concern to the people of New Mexico and other uranium producing States who have suffered through the decline of the domestic uranium industry. Employment in the U.S. uranium industry has dropped from more than 22,000 employees in 1980 to less than 1,500 today. My home State of New Mexico has been particularly hard hit. One company operating in New Mexico had 2,100 employees producing 5 million pounds of uranium in 1981. Five years later it had only 60 employees producing 150,000 pounds of uranium. There are similar situations throughout our Nation's uranium producing region.

There is great concern that with the immediate repeal of section 161v. of the Atomic Energy Act with respect to Canada, the domestic uranium industry will not be able to regain a competitive position in the marketplace. Congress passed the Atomic Energy Act with the express intent of maintaining a viable domestic uranium industry for our Nation's energy and national securities. By law the Department of Energy is mandated to maintain the industry healthy and viable. With the partial repeal of section 161v. of the act, the Department of Energy will no longer have the tools to carry out its mandate.

Due to changing energy policies, there has been a decrease in the number of nuclear power facilities being constructed with a consequent reduction in demand for uranium and a substantial increase in uranium stockpiles. Moreover, the domestic industry is saddled with the costly responsibility of reclaiming residual mill tailings cast off in the mining process. The cumulative effect of these factors, combined with increasingly vigorous foreign competition, have placed the domestic uranium industry at an insurmountable disadvantage as it attempts to regain viability and market share.

This situation presents the domestic uranium industry with grave problems. Canadian uranium, whose production is subsidized by their government to upwards of $2.25 billion would undersell all American uranium. The already depressed domestic uranium market would be further hampered due to the unfairness of subsidies and so-called free trade. Therefore, the domestic uranium industry would remain nonviable while the subsidized Canadian industry prospers from unimpeded access to the United States market.

Lacking any adjustment assistance for the uranium industry, implementation of the free trade agreement does not allow the domestic uranium industry either sufficient time nor the means to surmount its many problems. If the Congress does not address these crucial issues in the near future, it is unreasonable to expect that our Nation will ever again have a viable and competitive domestic uranium industry.

As for the provisions regarding natural gas production and export, only after long and tedious debate has the administration included in its report a finding that Federal Energy Regulatory Commission opinion 256 is consistent with the FTA. This opinion has created a rate control that allows the American industry to compete with the subsidized Canadian natural gas industry. Had this opinion not been grandfathered, the Canadians would dominate this industry as surely as they will dominate the uranium industry should the current implementing legislation be passed into law.

In addition to these energy industry issues, I have the following concerns about the precedent the FTA sets. If we approve this agreement, the Congress will for the first time be approving a treaty that reduces tariff barriers, institutionalizes foreign subsidies and nontariff barriers and resolves trade disputes with politically appointed binational panels rather than U.S. courts.

The administration says it will vigorously pursue the elimination of Canadian subsidies. Such promises are not persuasive. The Canadian Constitution specifically mandates that the government subsidize nonefficient industries. At the beginning of the negotiations, when the subsidy issue first arose, the principle Canadian negotiator, Simon Reissman, said:

You must understand that the Canadian people are not committed to helping their industries that cannot compete. Our Constitution requires that funds be transferred to assist companies in noneconomic locations to compete in international trade. Its only to equalize the competition. (Canada Act 1982, Sec. 36)

Canada never lost sight of this principle, and, at the conclusion of the negotiations, Mr. Reissman exclaimed:

The trade covered by the items we eventually agreed to are close to three-to-one in favor of Canada. Our people were way ahead of them in terms of the analysis, the investigation, the facts, the methods, the procedures, the whole business. You would thing that the United States was an underdeveloped country alongside us in terms of the way this negotiation went. (Maclean's December 31, 1987, p. 18)

Since the agreement was signed by the President and Prime Minister on January 2, 1988, the Canadian Government has embarked on a series of initiatives to better the deal for Canada's industries. First it was textile rebates, then it was dairy product import restrictions. These actions were followed by programs to aid Canada's energy industries, grape producers, agriculture interests, the fishing industry, film distributors, intellectual interests, lumber, and so forth.

The television broadcast industry is hurt by the fact that Canadian advertisers are not allowed to advertise on American television, while Canadian cable companies are allowed to distribute those signals throughout Canada. The movie industry is concerned that United States distributors will be legally restricted from distributing the movies of other countries within Canada.

The Province of Ontario has said it will not implement the FTA. Ontario's Premier, David Peterson, claims Canada's Constitution allows the Provinces to decide these issues. Mr. Peterson's government has already introduced legislation that mandates Ontario Hydro to charge more for electricity exported to the United States than is charged to Ontario customers. This act flies in the face of the FTA. The administration can take this issue up with Mr. Mulroney's government, but if the Federal Government is helpless to enforce its will on the Provinces, why are we passing the FTA and exposing our industries to such pitfalls?

Mr. Chairman, Ontario's actions were followed recently by the Canadian Senate's decision to hold the FTA hostage to a general election. This action should make us reconsider rushing blindly down the road to passage of the FTA when we do not know if it will or can be implemented north of the border.

Our own Treasury Department has grave concerns about certain aspects of tariff enforcement within the FTA. This past June, Treasury's Commissioner of Customs, Mr. William von Raab, expressed grave concerns about transshipment of products through Canada to bypass United States trade laws. Mr. Von Raab stated:

Not only will the rest of the trading world be watching, there will be an impact of incalculable significance on the structure as well as the health of many nonmultinational companies. Many of these changes cannot be foreseen, except to the extent of the certainty that they will take place, that they will be extreme in nature, and that they will be irreversible. Whether they are inevitable without enactment of the FTA is unknown. However, it is clear that once the FTA is enacted, there will be no turning back. Thus, whether one strongly favors or is opposed to the United States-Canada free trade agreement, there may be great wisdom in avoiding a blind rush towards its enactment.

Mr. Chairman, even our own Treasury Department has grave concerns about this agreement. Careful and deliberate consideration should be given before enactment.

Yet another salient point is that our Nation has a $13 billion trade deficit with Canada. This past week when the House Agriculture Committee was considering the FTA's implementing legislation, the committee staff acknowledged that the Congressional Budget Office issued a new analysis which stated the FTA would have a negative impact of $350 to $400 million annually on the budget.

Mr. Chairman, if the CBO is correct, then the Agriculture section of the FTA could force a budget sequester in fiscal year 1989. Again, why are we rushing down the road to blindly approve the FTA?

The administration claims the FTA will create millions of new jobs. Yet, there is no detailed analysis supplied by the administration as to where these jobs will be created. The United Auto Workers claim 35,000 jobs will be lost in the auto parts sector alone. No one knows what impact the FTA will have on the Auto Pact of 1965.

Mr. Chairman, while passage of the FTA may have popular support inside the beltway, grave concerns exist in our Western and border States. How can we leave our farmers exposed to the currency differential that exists between our two nations? How can we expect our natural resources to compete against Canadian subsidies? Canada is not an underdeveloped country whose economy is in dire need of stimulation.

The administration claims one of the greatest aspects of the FTA is that it will enhance energy independence. However, after the FTA was signed, Canada adopted a new energy policy which mandates 51 percent Canadian ownership of all energy projects. Further, the Canadian Government plans to subsidize its energy producers by $200 million annually. This certainly does not sound like free trade.

Mr. Chairman, the administration's claim of enhanced energy independence is misplaced. Under the FTA the independent energy agreement's emergency sharing system that was signed by the industrialized nations in 1974 will be controlling. Thus, we get no better deal than Japan or Europe under the FTA.

Mr. Chairman, Canada persists in subsidizing their energy industries. As a result, our American industries cannot compete against such practices which are contrary to free trade. The free trade agreement does not contain provisions to prohibit or even limit Canadian subsidies and it is increasingly apparent that the United States energy industries cannot compete against these heavy subsidies. Therefore, Mr. Chairman, due to the inherent inequality this legislation contains for our energy industries, I must oppose H.R. 5090 in its current form.

Mr. GIBBONS. I thank the gentleman. I respect his views on this.

So here we are today now putting the finishing touches to an historic agreement. I trust that the Senate of the United States will move rapidly and that the Canadian ratification process will move rapidly. If it does, this is a grand day for all free people around the world because we are setting a pattern here that would be a fine example for the rest of the world to follow.

Opening our markets, opening our minds, opening our hearts, opening our opportunities to work together, that is what this is all about.

Mr. Chairman, I have no further requests for time.

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Mr. CONTE. Mr. Chairman, I rise to lend my support to congressional approval of the United States-Canada Free-Trade Agreement [FTA]. The FTA truly is an historic economic agreement, bringing together two powerful economies for the benefit of both.

Mr. Chairman, no other country in the world shares our democratic and economic heritage as much as does Canada. We have been peaceful neighbors, friends, and allies for all of our common history, disregarding a few small altercations which occurred when the United States was a fledgling Nation. As befits this longstanding relationship of harmony and

good will, the Congress will today approve the implementation of the free trade agreement which President Reagan and Canadian Prime Minister Mulroney signed on January 2, 1988.

The FTA is the most significant bilateral trade pact the United States has made. While it is something of a misnomer to call it a free trade agreement, it certainly is a freer trade agreement. Neither we nor Canada got everything desired, but what we did get comprehensively improves trade liberalization and will provide an excellent precedent for other bilateral and multilateral trade negotiations.

Most significant is the elimination of tariffs by 1999. The United States is going to be the prime beneficiary of a reduction in tariffs, since Canada's existing tariffs are on average twice as high as United States tariffs, and cover more products. Another significant provision of particular importance to New England is the establishment of an open market, free of cross-border trade restrictions, for oil, petroleum production, natural gas, and electricity. That means lower energy costs for those cold New England winters.

Massachusetts is Canada's largest trading partner in New England. The opening of new markets in Canada that will result from the FTA is going to help Massachusetts manufacturers, and those who work for them, increase opportunities and expand business. That will have a positive impact on what has been a pronounced decline in manufacturing employment in western Massachusetts.

Mr. Chairman, I do support the FTA. I have had some differences with particular provisions, and I have made them known to U.S. Trade Ambassador Clayton Yeutter, and have found both the USTR and the administration to be very responsive. While the FTA doesn't solve all the problems associated with the Auto Pact, and while it avoids such complex issues such as intellectual property rights, it still does take large, beneficial steps to improve trade relations. I commend the President, Trade Representative Yeutter, and the leadership on both sides of the aisle for a job well done. The FTA deserves our support.

Mr. DENNY SMITH. Mr. Chairman, I rise in strong support of H.R. 5090, legislation to implement the historic free trade agreement between the United States and Canada.

The United States and Canada are the largest trading partners in the world, with trade between them totaling more than $160 billion last year; $61 million between Oregon and Canada in 1986. A bilateral agreement of this magnitude should serve as an example to the signatories of the General Agreement on Tariffs and Trade [GATT].

As with almost every bill that passes through Congress, I was not satisfied with every provision. I share the concerns of the timber industry that Canadian provincial governments have not opened up their markets completely to United States products. This agreement will set the framework for resolving this dispute.

Overall, the benefits of this legislation far outweigh industry-specific problems. The free trade agreement will lead to an unprecedented expansion in the transfer of goods and services across our borders. This will result in extensive growth in the GNP's of both countries, with estimates ranging from $12 billion to $17 billion annually in the United States, as well as producing thousands of new jobs around the Nation.

I am pleased with the provision dealing with the sale of Canadian power. I think the language of the agreement itself is sufficient to protect United States and Canadian interests.

I am a firm believer in both free and fair trade, H.R. 5090 is a step in the right direction. President Reagan and his trade officials, and Prime Minister Mulroney and his trade ministers, are to be commended for their efforts as this treaty developed over the past 3 years.

Trade between Oregon and Canada has totaled more than $60 million in each of the last 4 years. H.R. 5090 will add to that in a way that will benefit both. I was glad to lend my support to this bill, and urge the United States Senate and the Canadian Parliament to act quickly to ratify this historical document.

Mr. ROSTENKOWSKI. Mr. Chairman, how much time remains on this side?

The CHAIRMAN. The gentleman from Illinois [Mr. ROSTENKOWSKI] has 2 minutes remaining. All time has expired on the other side.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, I would like to pay my personal respects to Mr. GIBBONS of Florida who has, for a long period of time, been working on this legislation. He had the foresight to understand that the best way for nations to grow is to work together toward freer trade. I hope that these represent the first seeds for freer trade throughout the world. I think that many individuals deserve credit for this legislation; Mr. Yeutter, our Trade Representative, and our Secretary of the Treasury Jim Baker have worked long and tendiously. I would also like to complement the hard work of their professional staffs.

I would like to pay particular respect to the staffs of all the committees which have put so much time and effort into compiling what I think is a massive piece of legislation.

I only hope, and I am sure that my colleagues join me in this wish, that the Canadian Government recognizes the need for this common bond, and that the Senate in the Canadian Government will recognize the necessity to pass this historic agreement.

Mr. Chairman, I have no further requests for time.

Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

□ 1515

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. TRAXLER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5090) to implement the United States-Canada Free-Trade Agreement, had directed him to report the bill back to the House, with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CRANE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

The Sergeant At Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 366, nays 40, not voting 24, as follows:

[Roll No. 267]

YEAS—366

| | | |
|---|---|---|
| Ackerman | Carr | English |
| Akaka | Chandler | Erdreich |
| Alexander | Chapman | Espy |
| Andrews | Chappell | Fascell |
| Annunzio | Cheney | Fawell |
| Anthony | Clarke | Fazio |
| Applegate | Clement | Feighan |
| Archer | Clinger | Fields |
| Armey | Coats | Fish |
| Aspin | Coble | Flake |
| Atkins | Coelho | Flippo |
| AuCoin | Coleman (MO) | Florio |
| Baker | Coleman (TX) | Foglietta |
| Ballenger | Collins | Foley |
| Barnard | Combest | Ford (TN) |
| Bartlett | Conte | Frenzel |
| Barton | Conyers | Frost |
| Bateman | Cooper | Gallegly |
| Bates | Coughlin | Gallo |
| Beilenson | Courter | Garcia |
| Bennett | Coyne | Gejdenson |
| Bereuter | Crane | Gekas |
| Berman | Crockett | Gephardt |
| Bevill | Dannemeyer | Gibbons |
| Bilbray | Darden | Gilman |
| Bilirakis | Daub | Gingrich |
| Bliley | Davis (IL) | Glickman |
| Boehlert | Davis (MI) | Gonzalez |
| Boggs | de la Garza | Goodling |
| Boland | DeLay | Gordon |
| Bonior | Dellums | Gradison |
| Bonker | Derrick | Grandy |
| Borski | DeWine | Grant |
| Bosco | Dickinson | Gray (IL) |
| Boucher | Dicks | Gray (PA) |
| Boxer | Dingell | Green |
| Brooks | DioGuardi | Gregg |
| Broomfield | Dixon | Guarini |
| Brown (CO) | Donnelly | Gunderson |
| Bruce | Downey | Hall (OH) |
| Bryant | Dreier | Hamilton |
| Buechner | Durbin | Hammerschmidt |
| Bunning | Dwyer | Hansen |
| Burton | Dymally | Harris |
| Bustamante | Dyson | Hastert |
| Byron | Early | Hayes (LA) |
| Callahan | Eckart | Hefner |
| Campbell | Edwards (CA) | Henry |
| Cardin | Edwards (OK) | Herger |
| Carper | Emerson | Hiler |

| | | |
|---|---|---|
| Hochbrueckner | Miller (WA) | Schumer |
| Holloway | Mineta | Sensenbrenner |
| Hopkins | Moakley | Sharp |
| Houghton | Montgomery | Shaw |
| Hoyer | Moody | Shays |
| Huckaby | Moorhead | Shumway |
| Hughes | Morella | Sikorski |
| Hutto | Morrison (CT) | Sisisky |
| Hyde | Morrison (WA) | Skaggs |
| Inhofe | Mrazek | Skelton |
| Ireland | Murtha | Slattery |
| Jacobs | Myers | Slaughter (NY) |
| Jeffords | Nagle | Slaughter (VA) |
| Jenkins | Natcher | Smith (FL) |
| Jones (NC) | Neal | Smith (IA) |
| Jones (TN) | Nelson | Smith (NE) |
| Kanjorski | Nichols | Smith (NJ) |
| Kaptur | Nielson | Smith (TX) |
| Kasich | Nowak | Smith, Denny (OR) |
| Kastenmeier | Oakar | Smith, Robert (NH) |
| Kemp | Oberstar | Smith, Robert (OR) |
| Kennedy | Olin | Solarz |
| Kennelly | Ortiz | Solomon |
| Kleczka | Owens (UT) | Spratt |
| Kolbe | Oxley | Stallings |
| Konnyu | Packard | Stark |
| Kostmayer | Panetta | Stenholm |
| Kyl | Parris | Stokes |
| LaFalce | Pashayan | Stratton |
| Lagomarsino | Patterson | Studds |
| Lancaster | Payne | Sundquist |
| Lantos | Pease | Sweeney |
| Latta | Pelosi | Swift |
| Leach (IA) | Penny | Swindall |
| Leath (TX) | Pepper | Synar |
| Lehman (CA) | Petri | Tallon |
| Lehman (FL) | Pickett | Tauke |
| Leland | Pickle | Thomas (CA) |
| Lent | Porter | Thomas (GA) |
| Levin (MI) | Price | Torres |
| Levine (CA) | Pursell | Torricelli |
| Lewis (FL) | Quillen | Towns |
| Lightfoot | Rahall | Udall |
| Lipinski | Rangel | Upton |
| Lloyd | Ravenel | Valentine |
| Lott | Ray | Vander Jagt |
| Lowery (CA) | Regula | Vento |
| Lowry (WA) | Rhodes | Visclosky |
| Luken, Thomas | Ridge | Volkmer |
| Lukens, Donald | Rinaldo | Walgren |
| Lungren | Ritter | Walker |
| Madigan | Roberts | Watkins |
| Manton | Robinson | Waxman |
| Markey | Rodino | Weber |
| Martin (NY) | Roe | Weiss |
| Martinez | Rogers | Weldon |
| Matsui | Rostenkowski | Wheat |
| Mavroules | Roth | Whittaker |
| Mazzoli | Roukema | Whitten |
| McCandless | Rowland (CT) | Wilson |
| McCloskey | Roybal | Wise |
| McCrery | Russo | Wolf |
| McCurdy | Sabo | Wolpe |
| McDade | Saiki | Wortley |
| McEwen | Savage | Wyden |
| McHugh | Sawyer | Wylie |
| McMillan (NC) | Saxton | Yates |
| McMillen (MD) | Schaefer | Yatron |
| Meyers | Scheuer | Young (AK) |
| Mfume | Schneider | Young (FL) |
| Michel | Schroeder | |
| Miller (CA) | Schuette | |
| Miller (OH) | Schulze | |

NAYS—40

| | | |
|---|---|---|
| Anderson | Hubbard | Rose |
| Bentley | Hunter | Skeen |
| Brennan | Johnson (SD) | Snowe |
| Craig | Jontz | St Germain |
| DeFazio | Kildee | Staggers |
| Dorgan (ND) | Kolter | Stangeland |
| Evans | Lujan | Stump |
| Ford (MI) | Marlenee | Tauzin |
| Frank | Mollohan | Traficant |
| Gaydos | Murphy | Traxler |
| Hall (TX) | Obey | Vucanovich |
| Hawkins | Owens (NY) | Williams |
| Hayes (IL) | Perkins | |
| Hertel | Richardson | |

NOT VOTING—24

| | | |
|---|---|---|
| Badham | Dornan (CA) | Horton |
| Boulter | Dowdy | Johnson (CT) |
| Brown (CA) | Hatcher | Lewis (CA) |
| Clay | Hefley | Lewis (GA) |
| Livingston | McCollum | Rowland (GA) |
| Mack | McGrath | Shuster |
| MacKay | Mica | Spence |
| Martin (IL) | Molinari | Taylor |

□ 1532

Messrs. HAYES of Illinois, LUJAN, KOLTER, SKEEN, STUMP, and OWENS of New York changed their vote from "yea" to "nay."

Mrs. BOGGS changed her vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5090, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

## PERMISSION TO FILE CONFERENCE REPORT ON H.R. 4783, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1989

Mr. STOKES. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight, August 9, 1988, to file a conference report on the bill (H.R. 4783) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1989, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

## TRIBUTE TO THE GENTLEMAN FROM MASSACHUSETTS, MR. BOLAND

The SPEAKER. The Chair would like to call attention of the Members to the fact that the gentleman from Massachusetts [Mr. BOLAND], distinguished chairman of the Subcommittee on HUD and Independent Agencies of the Committee on Appropriations, at the end of this year will complete 36 years of effective, distinguished service as a Member of the Congress of the United States, and this quite probably will be the last time he will be bringing to the floor an appropriation bill from his subcommittee.

I just want the House to recognize the fact that the distinguished gentleman from Massachusetts has performed effectively and well over all these years and has been an exemplar of the best in the House.

Mr. BOLAND. Mr. Speaker, I am sure the applause came as a result of my chairing the gym and not this particular subcommittee.

Mr. Speaker, I want to express my appreciation to you and to all of the Members of the House for their generous applause and for the respect, and the regard that the Members of this House have held for this particular Member over the long years that I have served in the Congress of the United States.

## CONFERENCE REPORT ON H.R. 4800, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT-INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1989

Mr. BOLAND. Mr. Speaker, I call up the conference report on the bill (H.R. 4800) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1989, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Pursuant to the rule, (clause 2(c), rule XXVIII), the conference report is considered as having been read.

(For conference report and statement see proceedings of the House of August 3, 1988.)

The SPEAKER. The gentleman from Massachusetts [Mr. BOLAND] will be recognized for 30 minutes and the gentleman from New York [Mr. GREEN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. BOLAND].

GENERAL LEAVE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 4800, as well as the Senate amendments reported in disagreement, and that I may include tables, charts and other extraneous materials.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

□ 1545

Mr. BOLAND. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we bring back to the House today the conference report on the 1989 HUD-independent agencies appropriations bill. I want to begin by paying special tribute to Senator PROXMIRE, the chairman of the HUD-Independent Agencies Subcommittee

in the Senate. Out of my 18 years as chairman of this subcommittee, I cochaired the bill with Senator PROXMIRE 10 of those years. Our working relationship has always been excellent—and successful, since the President has signed individual HUD bills 8 out of 9 years—and this year will make it nine out of 10. It was also my pleasure and good fortune to cochair this bill with Senator GARN for 6 years.

This conference report is special because it is the last one I will bring back to this House, and the last one Senator PROXMIRE will bring to the Senate. And both Senator PROXMIRE and I are happy to say that—because every year it gets harder to put together an agreement within the constraints we face.

When the HUD bill passed the House on June 22, it was within our 302(b) allocation—it was fully consistent with the budget summit agreement—and it made some very difficult reductions. The bill reduced EPA's sewage treatment construction grants by $350 million below last year's level—it put a further squeeze on housing programs—and it cut out all new funding for the UDAG Program.

I indicated at that time that the House total of $59.7 billion would probably be the high water mark for this bill. And—I'm sorry to say—I was right. As it turned out, the Senate section 302(b) allocation was far below the House's—$638 million less in domestic discretionary budget authority and $273 million less in outlays.

This big shortfall in the Senate allocation presented a dilemma. Some saw a possibility that by waiting for the continuing resolution the Senate allocation might be increased beyond a split. Others hoped that funds could somehow be transferred to NASA from DOD. We discussed these issues with Chairman PROXMIRE and the other Senate conferees—and we reached two clear conclusions.

First, we wanted to stay out of the continuing resolution.

Second, we did not want to violate the budget summit agreement.

The House and Senate conferees therefore agreed to split the difference on the 302(b) allocations—which required us to give up $319 million in budget authority and $136.5 million in outlays. Of course, making these additional reductions was very difficult. But there was no other alternative to keep this bill out of the continuing resolution.

This conference agreement provides a total of $59,386,045,000 for the Department of Housing and Urban Development and 16 independent agencies. This represents a reduction of $323,875,000 below the House-passed bill.

Now, Mr. Speaker, I will not go into detail on each and every account in this bill. The conference report and the statement of the managers have already been printed in the RECORD. In addition, at the end of my remarks I will include a table comparing the amounts in the conference agreement with the amounts provided in 1988, the budget request, and the House- and Senate-passed bills.

But I would like to highlight the major changes from the House bill—because the House bill served as our departure point at conference. The Department of Housing and Urban Development was trimmed below the House-passed level by $159,278,000—to $12,771,054,000. Only $13.6 million of that reduction was applied to homeless programs—which maintains the 1989 funding for HUD homeless programs at more than $172 million. In addition, the bill contains $114 million for FEMA's emergency food and shelter program.

The Federal Emergency Management Agency was cut $100 million—all of which was taken in the disaster relief account.

The Environmental Protection Agency was reduced by $8,757,000.

The Veterans' Administration was trimmed by $26 million.

And, finally, the National Aeronautics and Space Administration was reduced $30 million below the House figure.

I am pleased to say, however, that the conference agreement on NASA maintains $900 million for the space station. To continue space station at less than $900 million in 1989 would be a waste. And let me put every Member on notice once again—that the bill for space station is going to go up to $2.1 billion in 1990 and $2.9 billion in 1991.

The decision to go forward with space station is a very significant one—one which we did not want to leave the new President out of. So the conference agreement follows the House approach of giving the next President the opportunity of calling a halt to the space station development by sending a special message to Congress.

There is one more issue related to NASA that needs clarification. And that is the suggestion—which originated in the other body—of transferring $600 million to NASA from the Department of Defense. That kind of a transfer from the 050 function to domestic program activities would have violated the spirit, if not the letter, of the budget summit agreement. The conferees rejected that approach—and included language permitting no more than $100 million to be transferred from DOD to NASA—and only for legitimate expenses related to space shuttle operations.

In closing, let me say that the conference report closely resembles the House-passed bill—and reflects the funding priorities established by the House for:

Homeless assistance and housing programs;

Community development grants;

Environmental protection;

NASA and NSF; and

Veterans programs.

We have had no formal communications or assurances from OMB or the White House since we completed conference. But I have every reason to believe that the President will sign this bill. I also want to thank the ranking minority member of the subcommittee, Mr. GREEN, for his able assistance on this bill. And all the members of the subcommittee: Mr. TRAXLER, Mr. STOKES, Mrs. BOGGS, Mr. MOLLOHAN, Mr. SABO, Mr. COUGHLIN, and Mr. LEWIS.

Mr. Speaker, there are several printing errors in the joint explanatory statement of the Committee of Conference on the bill (H.R. 4800) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, corporations, commissions, and offices for the fiscal year ending September 30, 1989. The statement, as printed in the CONGRESSIONAL RECORD of August 3, 1988, and in House Report 100-817, differs from the text filed for printing as follows:

Under the Federal Emergency Management Agency's Emergency Management Planning and Assistance appropriation, the conference agreement includes a reduction of $300,000 from the budget requested for the Civil Defense Research Program.

The conference agreement for the National Aeronautics and Space Administration's research and development appropriation is $4,191,700,000 and $1,855,000,000 for the research and program management appropriation.

Under the Veterans' Administration's construction, major projects appropriation, the conference agreement includes an additional $5,000,000 for an air-conditioning project at Madison.

In summary, this conference agreement is balanced—it recognizes the fiscal realities we face—it's within a split of the House and Senate 302(b) allocations—and it's consistent with the budget summit agreement. I urge Members on both sides of the aisle to support the conference.

| | FY 1988 Enacted | FY 1989 Estimate | House | Senate | Conference | Conference compared with--- Enacted | Estimate | House | Senate |
|---|---|---|---|---|---|---|---|---|---|
| TITLE I | | | | | | | | | |
| DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | | | | | | |
| HOUSING PROGRAMS | | | | | | | | | |
| Annual contributions for assisted housing | 7,887,405,000 | 6,886,765,000 | 7,673,765,000 | 7,404,249,000 | 7,538,765,000 | -348,640,000 | +652,000,000 | -135,000,000 | +134,516,000 |
| (By transfer) | | | | (125,000,000) | | | | | (-125,000,000) |
| Rescission of assisted housing deobligations (budget authority, indefinite) | -267,875,000 | -303,500,000 | -303,500,000 | -303,500,000 | -303,500,000 | -35,625,000 | | | |
| Total, annual contributions for assisted housing (net) | 7,619,530,000 | 6,583,265,000 | 7,370,265,000 | 7,100,749,000 | 7,235,265,000 | -384,265,000 | +652,000,000 | -135,000,000 | +134,516,000 |
| Rental rehabilitation grants | | 150,000,000 | 150,000,000 | 150,000,000 | 150,000,000 | +150,000,000 | | | |
| Rental housing development grants | 3,663,000 | | | | | -3,663,000 | | | |
| Rental housing assistance: | | | | | | | | | |
| Rescission of budget authority, indefinite | -52,000,000 | -50,000,000 | -50,000,000 | -50,000,000 | -50,000,000 | +2,000,000 | | | |
| (Limitation on annual contract authority, indefinite) | (-2,000,000) | (-2,000,000) | (-2,000,000) | (-2,000,000) | (-2,000,000) | | | | |
| Housing for the elderly or handicapped fund: | | | | | | | | | |
| Authority to borrow, indefinite | 583,683,000 | 288,649,000 | 416,896,000 | 476,210,000 | 418,580,000 | -165,103,000 | +129,931,000 | +1,684,000 | -57,630,000 |
| (Limitation on direct loans) | (565,776,000) | (350,175,000) | (478,422,000) | (537,736,000) | (480,106,000) | (-85,670,000) | (+129,931,000) | (+1,684,000) | (-57,630,000) |
| Congregate services | 4,224,000 | | 5,400,000 | 7,000,000 | 5,400,000 | +1,176,000 | +5,400,000 | | -1,600,000 |
| Payments for operation of low-income housing projects | 1,450,000,000 | 1,517,508,000 | 1,617,508,000 | 1,617,508,000 | 1,617,508,000 | +167,508,000 | +100,000,000 | | |
| Housing counseling assistance | 3,360,000 | | 4,500,000 | 3,500,000 | 3,500,000 | +140,000 | +3,500,000 | -1,000,000 | |
| Emergency shelter grants program | 8,000,000 | | 65,000,000 | 35,000,000 | 46,500,000 | +38,500,000 | +46,500,000 | -18,500,000 | +11,500,000 |
| Transitional and supportive housing demonstration program | 65,000,000 | 75,000,000 | 85,000,000 | 75,000,000 | 80,000,000 | +15,000,000 | +5,000,000 | -5,000,000 | +5,000,000 |
| Interagency Council on the Homeless | | 1,200,000 | 1,200,000 | 1,000,000 | 1,100,000 | +1,100,000 | -100,000 | -100,000 | +100,000 |
| Federal Housing Administration Fund | 162,866,000 | 237,720,000 | 237,720,000 | 237,720,000 | 237,720,000 | +74,854,000 | | | |
| (Limitation on guaranteed loans) | (96,000,000,000) | (75,000,000,000) | (96,000,000,000) | (96,000,000,000) | (96,000,000,000) | | (+21,000,000,000) | | |
| Temporary mortgage assistance payments (limitation on direct loans) | (79,272,000) | (103,350,000) | (103,350,000) | (103,350,000) | (103,350,000) | (+24,078,000) | | | |
| Total, Federal Housing Administration Fund | 162,866,000 | 237,720,000 | 237,720,000 | 237,720,000 | 237,720,000 | +74,854,000 | | | |
| Nonprofit sponsor assistance (limitation on direct loans) | (960,000) | (630,000) | (960,000) | (960,000) | (960,000) | | (+330,000) | | |
| Government National Mortgage Association | | | | | | | | | |
| Guarantees of mortgage-backed securities (limitation on guaranteed loans) | (144,000,000,000) | (100,000,000,000) | (144,000,000,000) | (144,000,000,000) | (144,000,000,000) | | (+44,000,000,000) | | |
| Total, Housing Programs (net) | 9,848,326,000 | 8,803,342,000 | 9,903,489,000 | 9,653,687,000 | 9,745,573,000 | -102,753,000 | +942,231,000 | -157,916,000 | +91,886,000 |
| COMMUNITY PLANNING AND DEVELOPMENT | | | | | | | | | |
| Community development grants | 2,880,000,000 | 2,480,000,000 | 2,650,000,000 | 2,840,000,000 | 2,650,000,000 | -230,000,000 | +170,000,000 | | -190,000,000 |
| (By transfer) | | (145,000,000) | (350,000,000) | (160,000,000) | (350,000,000) | (+350,000,000) | (+205,000,000) | | (+190,000,000) |
| (Limitation on guaranteed loans) | (144,000,000) | | (144,000,000) | (144,000,000) | (144,000,000) | | (+144,000,000) | | |
| Urban development action grants | 216,000,000 | -50,000,000 | | | | -216,000,000 | +50,000,000 | | |
| Urban homesteading | 14,400,000 | 12,000,000 | 12,000,000 | 14,400,000 | 13,200,000 | -1,200,000 | +1,200,000 | +1,200,000 | -1,200,000 |
| Assistance for solar and conservation improvements | 1,500,000 | | | | | -1,500,000 | | | |
| Total, Community Planning and Development | 3,111,900,000 | 2,442,000,000 | 2,662,000,000 | 2,854,400,000 | 2,663,200,000 | -448,700,000 | +221,200,000 | +1,200,000 | -191,200,000 |
| POLICY DEVELOPMENT AND RESEARCH | | | | | | | | | |
| Research and technology | 16,512,000 | 19,000,000 | 17,000,000 | 17,200,000 | 17,200,000 | +688,000 | -1,800,000 | +200,000 | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| FAIR HOUSING AND EQUAL OPPORTUNITY | | | | | | | | | |
| Fair housing assistance | 4,800,000 | 5,000,000 | ..... | 5,000,000 | ..... | -4,800,000 | -5,000,000 | ..... | -5,000,000 |
| Fair housing initiatives | ..... | 5,000,000 | ..... | 5,000,000 | ..... | ..... | -5,000,000 | ..... | -5,000,000 |
| Fair housing activities | ..... | ..... | 10,000,000 | ..... | 10,000,000 | +10,000,000 | +10,000,000 | ..... | +10,000,000 |
| Total, Fair Housing and Equal Opportunity | 4,800,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | +5,200,000 | ..... | ..... | ..... |
| MANAGEMENT AND ADMINISTRATION | | | | | | | | | |
| Salaries and expenses | 308,119,000 | 337,843,000 | 337,843,000 | 337,843,000 | 335,081,000 | +26,962,000 | -2,762,000 | -2,762,000 | -2,762,000 |
| (By transfer, limitation on FHA corporate funds) | (358,132,000) | (359,348,000) | (381,528,000) | (371,920,000) | (381,528,000) | (+23,396,000) | (+22,180,000) | ..... | (+9,608,000) |
| Total, title I, Department of Housing and Urban Development: | | | | | | | | | |
| New budget (obligational) authority (net) | 13,289,657,000 | 11,612,185,000 | 12,930,332,000 | 12,873,130,000 | 12,771,054,000 | -518,603,000 | +1,158,869,000 | -159,278,000 | -102,076,000 |
| Appropriations | (5,138,444,000) | (4,790,271,000) | (5,193,171,000) | (5,346,171,000) | (5,167,209,000) | (+28,765,000) | (+376,938,000) | (-25,962,000) | (-178,962,000) |
| Authority to borrow | (583,683,000) | (288,649,000) | (416,896,000) | (476,210,000) | (418,580,000) | (-165,103,000) | (+129,931,000) | (+1,684,000) | (-57,630,000) |
| Contract authority | (7,887,405,000) | (6,886,765,000) | (7,673,765,000) | (7,404,249,000) | (7,538,765,000) | (-348,640,000) | (+652,000,000) | (-135,000,000) | (+134,516,000) |
| Rescissions | (-319,875,000) | (-353,500,000) | (-353,500,000) | (-353,500,000) | (-353,500,000) | (-33,625,000) | ..... | ..... | ..... |
| (Limitation on annual contract authority, indefinite) | (-2,000,000) | (-2,000,000) | (-2,000,000) | (-2,000,000) | (-2,000,000) | ..... | ..... | ..... | ..... |
| (Limitation on direct loans) | (646,008,000) | (454,155,000) | (582,732,000) | (642,046,000) | (584,416,000) | (-61,592,000) | (+130,261,000) | (+1,684,000) | (-57,630,000) |
| (Limitation on guaranteed loans) | (240,144,000,000) | (175,000,000,000) | (240,144,000,000) | (240,144,000,000) | (240,144,000,000) | ..... | (+65,144,000,000) | ..... | ..... |
| (Limitation on corporate funds to be expended) | (358,132,000) | (359,348,000) | (381,528,000) | (371,920,000) | (381,528,000) | (+23,396,000) | (+22,180,000) | ..... | (+9,608,000) |
| TITLE II | | | | | | | | | |
| INDEPENDENT AGENCIES | | | | | | | | | |
| AMERICAN BATTLE MONUMENTS COMMISSION | | | | | | | | | |
| Salaries and expenses | 12,408,000 | 15,085,000 | 15,085,000 | 15,085,000 | 15,085,000 | +2,677,000 | ..... | ..... | ..... |
| COMPETITIVENESS POLICY COUNCIL | | | | | | | | | |
| Salaries and expenses | ..... | ..... | ..... | 1,000,000 | ..... | ..... | ..... | ..... | -1,000,000 |
| CONSUMER PRODUCT SAFETY COMMISSION | | | | | | | | | |
| Salaries and expenses | 32,696,000 | 32,917,000 | 34,500,000 | 34,667,000 | 34,500,000 | +1,804,000 | +1,583,000 | ..... | -167,000 |
| DEPARTMENT OF DEFENSE - CIVIL | | | | | | | | | |
| Cemeterial Expenses, Army | | | | | | | | | |
| Salaries and expenses | 8,164,000 | 13,195,000 | 13,195,000 | 13,195,000 | 13,195,000 | +5,031,000 | ..... | ..... | ..... |
| ENVIRONMENTAL PROTECTION AGENCY | | | | | | | | | |
| Salaries and expenses | 765,000,000 | 800,000,000 | 804,000,000 | 788,520,000 | 804,000,000 | +39,000,000 | +4,000,000 | ..... | +15,480,000 |
| Research and development | 186,350,000 | 197,000,000 | 199,382,000 | 190,170,000 | 202,500,000 | +16,150,000 | +5,500,000 | +3,118,000 | +12,330,000 |
| Abatement, control, and compliance | 606,192,000 | 624,000,000 | 727,500,000 | 728,620,000 | 715,625,000 | +109,433,000 | +91,625,000 | -11,875,000 | -12,995,000 |
| Buildings and facilities | 23,500,000 | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 | -15,500,000 | ..... | ..... | ..... |
| Subtotal, operating programs | 1,581,042,000 | 1,629,000,000 | 1,738,882,000 | 1,715,310,000 | 1,730,125,000 | +149,083,000 | +101,125,000 | -8,757,000 | +14,815,000 |
| Hazardous substance superfund | 1,128,000,000 | 1,600,000,000 | 1,425,000,000 | 1,525,000,000 | 1,425,000,000 | +297,000,000 | -175,000,000 | ..... | -100,000,000 |
| (General fund financing) | (239,100,000) | ..... | ..... | (239,000,000) | ..... | (-239,100,000) | ..... | ..... | (-239,000,000) |
| (Limitation on administrative expenses) | (182,400,000) | ..... | (190,000,000) | (190,000,000) | (190,000,000) | (+7,600,000) | (+190,000,000) | ..... | ..... |
| Leaking underground storage tank trust fund | 14,400,000 | 50,000,000 | 50,000,000 | 50,000,000 | 50,000,000 | +35,600,000 | ..... | ..... | ..... |
| (Limitation on administrative expenses) | (4,800,000) | ..... | (5,000,000) | (5,000,000) | (5,000,000) | (+200,000) | (+5,000,000) | ..... | ..... |
| Construction grants | 2,304,000,000 | 1,500,000,000 | 1,950,000,000 | 2,100,000,000 | 1,950,000,000 | -354,000,000 | +450,000,000 | ..... | -150,000,000 |
| Total, Environmental Protection Agency | 5,027,442,000 | 4,779,000,000 | 5,163,882,000 | 5,390,310,000 | 5,155,125,000 | +127,683,000 | +376,125,000 | -8,757,000 | -235,185,000 |

| | FY 1988 Enacted | FY 1989 Estimate | House | Senate | Conference | Conference compared with --- Enacted | Estimate | House | Senate |
|---|---|---|---|---|---|---|---|---|---|
| EXECUTIVE OFFICE OF THE PRESIDENT | | | | | | | | | |
| Council on Environmental Quality and Office of Environmental Quality | 826,000 | 870,000 | 870,000 | 850,000 | 850,000 | +24,000 | -20,000 | -20,000 | ..... |
| Office of Science and Technology Policy | 1,888,000 | 1,787,000 | 1,587,000 | 1,587,000 | 1,587,000 | -301,000 | -200,000 | ..... | ..... |
| Total, Executive Office of the President | 2,714,000 | 2,657,000 | 2,457,000 | 2,437,000 | 2,437,000 | -277,000 | -220,000 | -20,000 | ..... |
| FEDERAL EMERGENCY MANAGEMENT AGENCY | | | | | | | | | |
| Disaster relief | 120,000,000 | 200,000,000 | 200,000,000 | 125,000,000 | 100,000,000 | -20,000,000 | -100,000,000 | -100,000,000 | -25,000,000 |
| Salaries and expenses | 125,841,000 | 135,602,000 | 137,494,000 | 137,274,000 | 137,274,000 | +11,433,000 | +1,672,000 | -220,000 | ..... |
| Emergency management planning and assistance | 272,496,000 | 282,794,000 | 282,438,000 | 282,438,000 | 282,438,000 | +9,942,000 | -356,000 | ..... | ..... |
| Emergency food and shelter program | 114,000,000 | 80,000,000 | 114,000,000 | 114,000,000 | 114,000,000 | ..... | +34,000,000 | ..... | ..... |
| Total, Federal Emergency Management Agency | 632,337,000 | 698,396,000 | 733,932,000 | 658,712,000 | 633,712,000 | +1,375,000 | -64,684,000 | -100,220,000 | -25,000,000 |
| GENERAL SERVICES ADMINISTRATION | | | | | | | | | |
| Consumer Information Center | 1,279,000 | 1,354,000 | 1,354,000 | 1,354,000 | 1,354,000 | +75,000 | ..... | ..... | ..... |
| (Limitation on administrative expenses) | (1,652,000) | (1,736,000) | (1,736,000) | (1,736,000) | (1,736,000) | (+84,000) | ..... | ..... | ..... |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | | | | |
| Office of Consumer Affairs | 1,670,000 | 1,708,000 | 1,708,000 | 1,708,000 | 1,708,000 | +38,000 | ..... | ..... | ..... |
| NATIONAL AERONAUTICS AND SPACE ADMINISTRATION | | | | | | | | | |
| Research and development | 3,274,200,000 | 4,446,700,000 | 4,191,700,000 | 3,552,800,000 | 4,191,700,000 | +917,500,000 | -255,000,000 | ..... | +638,900,000 |
| Rescission | ..... | ..... | -25,000,000 | -25,000,000 | -25,000,000 | -25,000,000 | -25,000,000 | ..... | ..... |
| (By transfer) | (100,000,000) | ..... | ..... | ..... | ..... | (-100,000,000) | ..... | ..... | ..... |
| (By transfer, Department of Defense) | (70,000,000) | ..... | ..... | ..... | ..... | (-70,000,000) | ..... | ..... | ..... |
| Space flight, control and data communications | 3,908,309,000 | 4,841,200,000 | 4,414,200,000 | 4,452,200,000 | 4,364,200,000 | +455,891,000 | -477,000,000 | -50,000,000 | -88,000,000 |
| Construction of facilities | 178,272,000 | 285,100,000 | 270,100,000 | 270,100,000 | 290,100,000 | +111,828,000 | +5,000,000 | +20,000,000 | +20,000,000 |
| Science, space and technology education trust fund (by transfer) | ..... | ..... | ..... | (15,000,000) | (15,000,000) | (+15,000,000) | (+15,000,000) | (+15,000,000) | ..... |
| Research and program management | 1,495,680,000 | 1,915,000,000 | 1,855,000,000 | 1,870,000,000 | 1,855,000,000 | +359,320,000 | -60,000,000 | ..... | -15,000,000 |
| Total, National Aeronautics and Space Administration (net) | 8,856,461,000 | 11,488,000,000 | 10,706,000,000 | 10,120,100,000 | 10,676,000,000 | +1,819,539,000 | -812,000,000 | -30,000,000 | +555,900,000 |
| NATIONAL CREDIT UNION ADMINISTRATION | | | | | | | | | |
| Central liquidity facility: | | | | | | | | | |
| (Limitation on direct loans) | (600,000,000) | (600,000,000) | (600,000,000) | (600,000,000) | (600,000,000) | ..... | ..... | ..... | ..... |
| (Limitation on administrative expenses, corporate funds) | (813,000) | (880,000) | (880,000) | (880,000) | (880,000) | (+67,000) | ..... | ..... | ..... |
| NATIONAL SCIENCE FOUNDATION | | | | | | | | | |
| Research and related activities | 1,453,000,000 | 1,603,000,000 | 1,578,000,000 | 1,593,000,000 | 1,583,000,000 | +130,000,000 | -20,000,000 | +5,000,000 | -10,000,000 |
| Program development and management (limitation on administrative expenses) | (84,480,000) | (95,550,000) | (90,550,000) | (90,550,000) | (90,550,000) | (+6,070,000) | (-5,000,000) | ..... | ..... |
| Science and Technology Centers | ..... | 150,000,000 | ..... | ..... | ..... | ..... | -150,000,000 | ..... | ..... |
| United States Antarctic Program activities | 124,800,000 | 141,000,000 | 136,000,000 | 131,000,000 | 131,000,000 | +6,200,000 | -10,000,000 | -5,000,000 | ..... |
| Science education activities | 139,200,000 | 156,000,000 | 171,000,000 | 156,000,000 | 171,000,000 | +31,800,000 | +15,000,000 | ..... | +15,000,000 |
| Total, National Science Foundation | 1,717,000,000 | 2,050,000,000 | 1,885,000,000 | 1,880,000,000 | 1,885,000,000 | +168,000,000 | -165,000,000 | ..... | +5,000,000 |
| NEIGHBORHOOD REINVESTMENT CORPORATION | | | | | | | | | |
| Payment to the Neighborhood Reinvestment Corporation | 18,720,000 | 19,094,000 | 19,094,000 | 19,494,000 | 19,494,000 | +774,000 | +400,000 | +400,000 | ..... |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| SELECTIVE SERVICE SYSTEM | | | | | | | | | |
| Salaries and expenses | 25,459,000 | 26,113,000 | 26,313,000 | 26,113,000 | 26,313,000 | +854,000 | +200,000 | ..... | +200,000 |
| VETERANS ADMINISTRATION | | | | | | | | | |
| Compensation and pensions | 14,334,287,000 | 14,759,100,000 | 14,759,100,000 | 14,759,100,000 | 14,759,100,000 | +424,813,000 | ..... | ..... | ..... |
| Readjustment benefits | 808,200,000 | 597,600,000 | 597,600,000 | 597,600,000 | 597,600,000 | -210,600,000 | ..... | ..... | ..... |
| Veterans insurance and indemnities | 14,290,000 | 9,220,000 | 9,220,000 | 9,220,000 | 9,220,000 | -5,070,000 | ..... | ..... | ..... |
| Medical care | 10,094,808,000 | 10,327,546,000 | 10,567,546,000 | 10,445,171,000 | 10,542,546,000 | +447,738,000 | +215,000,000 | -25,000,000 | +97,375,000 |
| Medical and prosthetic research | 192,899,000 | 204,241,000 | 210,241,000 | 210,241,000 | 210,241,000 | +17,342,000 | +6,000,000 | ..... | ..... |
| Medical administration and miscellaneous operating expenses | 46,628,000 | 47,909,000 | 48,909,000 | 47,909,000 | 47,909,000 | +1,281,000 | ..... | -1,000,000 | ..... |
| General operating expenses | 762,810,000 | 771,316,000 | 774,316,000 | 781,236,000 | 774,316,000 | +11,506,000 | +3,000,000 | ..... | -6,920,000 |
| Construction, major projects | 402,884,000 | 367,755,000 | 363,040,000 | 359,155,000 | 363,040,000 | -39,844,000 | -4,715,000 | ..... | +3,885,000 |
| Construction, minor projects | 115,942,000 | 123,881,000 | 111,596,000 | 111,596,000 | 111,596,000 | -4,346,000 | -12,285,000 | ..... | ..... |
| (Limitation on administrative expenses) | (40,774,000) | (42,731,000) | (41,731,000) | (42,731,000) | (41,731,000) | (+957,000) | (-1,000,000) | ..... | (-1,000,000) |
| Parking garage revolving fund | 3,936,000 | 9,000,000 | 26,000,000 | 9,000,000 | 26,000,000 | +22,064,000 | +17,000,000 | ..... | +17,000,000 |
| Grants for construction of State extended care facilities | 40,320,000 | 42,000,000 | 42,000,000 | 42,000,000 | 42,000,000 | +1,680,000 | ..... | ..... | ..... |
| Grants to the Republic of the Philippines | 480,000 | 500,000 | 500,000 | 500,000 | 500,000 | +20,000 | ..... | ..... | ..... |
| Grants for construction to State veterans cemeteries | ..... | 9,000,000 | 9,000,000 | 9,000,000 | 9,000,000 | +9,000,000 | ..... | ..... | ..... |
| Direct loan revolving fund (limitation on direct loans) | (1,000,000) | (1,000,000) | (1,000,000) | (1,000,000) | (1,000,000) | ..... | ..... | ..... | ..... |
| Loan guaranty revolving fund | 916,400,000 | 658,000,000 | 658,000,000 | 658,000,000 | 658,000,000 | -258,400,000 | ..... | ..... | ..... |
| Total, Veterans Administration | 27,733,884,000 | 27,927,068,000 | 28,177,068,000 | 28,039,728,000 | 28,151,068,000 | +417,184,000 | +224,000,000 | -26,000,000 | +111,340,000 |
| Total, title II, Independent Agencies: | | | | | | | | | |
| New budget (obligational) authority (net) | 44,070,234,000 | 47,054,587,000 | 46,779,588,000 | 46,203,903,000 | 46,614,991,000 | +2,544,757,000 | -439,596,000 | -164,597,000 | +411,088,000 |
| Appropriations | (44,070,234,000) | (47,054,587,000) | (46,804,588,000) | (46,228,903,000) | (46,639,991,000) | (+2,569,757,000) | (-414,596,000) | (-164,597,000) | (+411,088,000) |
| Rescission | ..... | ..... | (-25,000,000) | (-25,000,000) | (-25,000,000) | (-25,000,000) | (-25,000,000) | ..... | ..... |
| (By transfer) | (170,000,000) | ..... | ..... | (15,000,000) | (15,000,000) | (-155,000,000) | (+15,000,000) | (+15,000,000) | ..... |
| (Limitation on administrative expenses) | (314,106,000) | (140,017,000) | (329,017,000) | (330,017,000) | (329,017,000) | (+14,911,000) | (+189,000,000) | ..... | (-1,000,000) |
| (Limitation on direct loans) | (601,000,000) | (601,000,000) | (601,000,000) | (601,000,000) | (601,000,000) | ..... | ..... | ..... | ..... |
| (Limitation on corporate funds to be expended) | (813,000) | (880,000) | (880,000) | (880,000) | (880,000) | (+67,000) | ..... | ..... | ..... |
| TITLE III | | | | | | | | | |
| CORPORATIONS | | | | | | | | | |
| Federal Home Loan Bank Board: (Limitation on administrative expenses, corporate funds) | (30,313,000) | (31,942,000) | (31,942,000) | (31,942,000) | (31,942,000) | (+1,629,000) | ..... | ..... | ..... |
| Federal Savings and Loan Insurance Corporation, (limitation on administrative expenses, corporate funds) | (1,610,000) | (1,667,000) | (1,667,000) | (1,667,000) | (1,667,000) | (+57,000) | ..... | ..... | ..... |
| Total, title III, Corporations | (31,923,000) | (33,609,000) | (33,609,000) | (33,609,000) | (33,609,000) | (+1,686,000) | ..... | ..... | ..... |
| Grand total: | | | | | | | | | |
| New budget (obligational) authority (net) | 57,359,891,000 | 58,666,772,000 | 59,709,920,000 | 59,077,033,000 | 59,386,045,000 | +2,026,154,000 | +719,273,000 | -323,875,000 | +309,012,000 |
| Appropriations | (49,208,678,000) | (51,844,858,000) | (51,997,759,000) | (51,575,074,000) | (51,807,200,000) | (+2,598,522,000) | (-37,658,000) | (-190,559,000) | (+232,126,000) |
| Authority to borrow | (583,683,000) | (288,649,000) | (416,896,000) | (476,210,000) | (418,580,000) | (-165,103,000) | (+129,931,000) | (+1,684,000) | (-57,630,000) |
| Contract authority | (7,887,405,000) | (6,886,765,000) | (7,673,765,000) | (7,404,249,000) | (7,538,765,000) | (-348,640,000) | (+652,000,000) | (-135,000,000) | (+134,516,000) |
| Rescissions | (-319,875,000) | (-353,500,000) | (-378,500,000) | (-378,500,000) | (-378,500,000) | (-58,625,000) | (-25,000,000) | ..... | ..... |
| (By transfer) | (170,000,000) | (145,000,000) | (350,000,000) | (300,000,000) | (365,000,000) | (+195,000,000) | (+220,000,000) | (+15,000,000) | (+65,000,000) |
| (Limitation on administrative expenses) | (314,106,000) | (140,017,000) | (329,017,000) | (330,017,000) | (329,017,000) | (+14,911,000) | (+189,000,000) | ..... | (-1,000,000) |
| (Limitation on annual contract authority, indefinite) | (-2,000,000) | (-2,000,000) | (-2,000,000) | (-2,000,000) | (-2,000,000) | ..... | ..... | ..... | ..... |
| (Limitation on direct loans) | (1,247,008,000) | (1,055,155,000) | (1,183,732,000) | (1,243,046,000) | (1,185,416,000) | (-61,592,000) | (+130,261,000) | (+1,684,000) | (-57,630,000) |
| (Limitation on guaranteed loans) | (240,144,000,000) | (175,000,000,000) | (240,144,000,000) | (240,144,000,000) | (240,144,000,000) | ..... | (+65,144,000,000) | ..... | ..... |
| (Limitation on corporate funds to be expended) | (390,868,000) | (393,837,000) | (416,017,000) | (406,409,000) | (416,017,000) | (+25,149,000) | (+22,180,000) | ..... | (+9,608,000) |

Mr. GREEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the outset, I want to join the Speaker of the House in his praise for the distinguished chairman of our subcommittee, the gentleman from Massachusetts [Mr. BOLAND]. It has been my privilege to be associated with him in my role as ranking minority member of the subcommittee with him in only 8 of his 36 years here in the House, but I certainly can testify on the basis on those 8 years as to the acumen and skill that he brings to the work of this subcommittee, to the work of the full Appropriations Committee, and to the work of the House. The people of this country owe him a great debt of gratitude for his efforts.

As the distinguished chairman has pointed out, when we went to conference we were faced with the fact that the Senate's 302(b) allocation was approximately $600 million less than that on the basis of which the House bill had been crafted. Even after splitting the difference, that plainly left us very short compared with where we had been when this bill was approved by the House.

I have mentioned in the past that this year this bill has been something like putting a size 10 foot in a size 8 shoe. When we got into conference, we found that our problem was putting a size 10 foot in a size 7 shoe because of the lower Senate numbers. Nonetheless, we did with some great difficulty put together a bill which I think merits the support of the House, and I am pleased to join the distinguished chairman of the subcommittee in urging the House to adopt it.

I shall not go over the numbers which the distinguished chairman has so capably and fully laid before the House. Let me deal with the one area that I know was of some concern to the House when we were here passing the bill in the first place and which is of concern to me, and that is the fact of the numbers with respect to housing assistance. We were forced by the logic of the conference to have a reduction of $135 million in the housing assistance numbers. That is not something with which I am very happy to come back here. In fact, with the support of my House colleagues, I did urge the Senate Members of the conference to consider a different approach where we would have added some money back into the housing account. The place I would have taken it from would have been the Superfund moneys. I suggested the Superfund first because the spendout rate on that program has been slow and the program will be carrying over $100 million at the end of fiscal year 1988; also because it gets a very significant increase in any event under this bill and also because I think there have been some legitimate complaints about the way the program has been operated; I think it would be wise for the EPA to take a good hard look at its methods of operations under the Superfund.

However, the Senate was adamant in objecting to that approach. In any event, that would have taken us outside the conference limits, so that we were not in a good position arguing for that. In the end we had to accept the reduction in the housing assistance accounts.

I am glad to say, however, that the number of incremental housing units brought under subsidy in the bill as it comes out of conference is 84,955, so that we are certainly within the range we have been in the past several years in terms of the number of units that will be brought under subsidy, although frankly we have done that by increasing the number of units that are existing housing units and by reducing the number of units available for moderate rehabilitation.

Beyond that, I can only say that I think we have dealt fairly with all the disparate interests that are reflected in our bill. I think that, given the very difficult constraints under which we labored, we have brought back a good bill. From my soundings of the administration, I share the hopes of the distinguished chairman that this bill is acceptable to the administration, and I therefore urge its adoption this afternoon by the House.

Mr. BOLAND. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Speaker, I rise today in strong support of the conference report on H.R. 4800, making appropriations for the Department of Housing and Urban Development and independent agencies for fiscal year 1989.

With my support for this agreement, however, I would be remiss if I failed to acknowledge and express appreciation to my distinguished colleague, Chairman ED BOLAND, for whom this conference report marks the final chapter in his rich and admirable history as chairman of the Appropriations Subcommittee on HUD-independent agencies.

It was once said that, "the final test of a leader is that he leaves behind in other men the conviction and the will to carry on." Mr. Speaker, by this benchmark, Chairman BOLAND has been a successful and inspiring leader and I am confident that his successor will prove equally as insightful and thoughtful. As a member of the Banking, Finance and Urban Affairs Committee and the Veterans' Affairs Committee, I have enjoyed working closely with Chairman BOLAND and members of his subcommittee on behalf of housing and community development programs and providing benefits and services for our Nation's veterans.

Mr. Speaker, I rise today to highlight two important provisions in H.R. 4800, preserving vital community development block grant [CDBG] funding for 230 small communities throughout Pennsylvania and earmarking $4.67 million to construct a long-awaited Veterans' Administration [VA] nursing care unit in the city of Wilkes-Barre.

Several months ago, I and other members of the Pennsylvania congressional delegation learned of an ongoing dispute between the Department of Housing and Urban Development and the Commonwealth of Pennsylvania regarding the collection of statistical data to determine eligibility for CDBG funding. When efforts failed to find an administrative solution to this technical deadlock—and HUD announced its intention to suspend funding in the middle of the fiscal year—our bipartisan State delegation requested a General Accounting Office [GAO] study.

In the meantime, however, the inability to resolve this technical issue would result in the shutdown of vital funds urgently needed to complete valuable economic development and low-income housing revitalization projects, and to provide essential community services in these small communities. In essence, these towns and their half-completed projects were left hostage in the face of this technical dispute. Residents and town officials in Shamokin wondered if repairs of an important bridge would be completed, while in Pittston concern surfaced over the prospects of finishing a major sewer system project.

When I and other members of the Pennsylvania congressional delegation discussed this issue with Chairman BOLAND, Congressman GREEN, the ranking Republican, and other subcommittee members, they recognized the problem and the need to find a temporary remedy to protect funding for fiscal years 1987 and 1988 for projects initiated but not yet completed. Passage of today's conference report, H.R. 4800, ensures that these important community development projects in Pennsylvania will be allowed to go forward.

In addition, I want to express my appreciation to the subcommittee for retaining a key provision to earmark $4.67 million to construct a 60-bed VA nursing home care unit in Wilkes-Barre. On April 28 when I testified before the subcommittee on this issue, I described that Wilkes-Barre's current VA nursing home is fully occupied at all times with a waiting list of up to 250 veterans, that service-connected veterans must wait 3 to 4 months, and that nonservice-connected veterans may wait indefinitely.

Although this expansion project was originally authorized in 1985, the administration had refused to request actual construction funds for the facility and had no plans to begin building the unit until 1993 at the earliest. With Chairman BOLAND, Congressman GREEN, and the entire subcommittee's efforts, however, aging veterans in northeastern Pennsylvania who are in need of services will have an opportunity to receive the quality health care treatment they deserve.

Mr. Speaker, I rise in strong support of H.R. 4800 and I urge my colleagues to support this important conference agreement.

Mr. BOLAND. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Speaker, I support the legislation.

Mr. Speaker, I rise to lend my support to the HUD-independent agencies appropriations bill. While I am not entirely happy with the level of funding for the housing programs, I am happy to say that the conference report provides virtually the same level of funding as does the House version. I also want to commend Chairman BOLAND and his committee for the hard work and dedication that went into hammering out this bill.

In June, we had a spirited debate over the HUD appropriations bill and the level of support for the housing programs. Many of us in the Housing Subcommittee sought to increase funding levels with the limited amount of appropriations available under the bill. These represent tough decisions in tough times. Unfortunately, we were unable to get the increased funding so desperately needed. But even at that sought-after level of funding, the Federal commitment to the Nation's housing is woefully inadequate.

I want to take this opportunity to simply say that no amount of Federal support would be too much in our effort to improve the Nation's housing crisis and to provide a decent home and safe living environment to every American family.

The Federal Government's commitment has been all but eliminated in the area of housing. It is untenable that a Nation of such great wealth and with a tradition of concern for so many of its less fortunate would turn its back on a growing number of its people. I urge my colleagues to pass this measure but to commit themselves to the larger battle of providing a home for every American family.

Mr. GREEN. Mr. Speaker, I yield 4 minutes to the distinguished ranking minority member of the Subcommittee on Housing and Community Development of the Committee on Banking, Finance and Urban Affairs, the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Speaker, I rise in support of the conference report and ask unanimous consent to revise and extend my remarks.

As the ranking minority member of the authorizing subcommittee, I want to focus on one very important issue: the serious health threat presented by lead-based paint.

Lead-based paint is a critical health hazard which has already poisoned thousands of children.

I am sorry to report that it is not a hazard which has received very much attention to date. That, however, will change. This Member intends to maintain the drumbeat on this issue until we act responsibly to protect our Nation's children.

It was long ago a well-established medical fact that leaded paint in housing across this country poisons thousands of children every year, causing brain damage and neurological disorders.

It is a disgrace that we have done so little to correct this matter since the Lead Based Paint Poisoning Prevention Act was passed in 1971. Unfortuntely, HUD was charged with the responsibility to administer the act, and for 17 years HUD has avoided and evaded its responsibility.

Between 1976 and 1980, 780,000 American preschool children had excess levels of lead in their blood. This is according to the American Academy of Pediatrics and data from the second national health and nutrition survey.

Lead poisoning causes neurological and psychological disorders. Studies have shown conclusively that poisoning results in a reduction in intelligence and alteration behavior.

I commend the gentleman from Massachusetts [Mr. BOLAND] and the gentleman from New York [Mr. GREEN] for their concern and attention to the matter.

The conference report and the statement of managers recognize the seriousness of the crisis—and, make no mistake, this is a crisis—and properly take the Department of Housing and Urban Development to task for its inexcusable inaction.

The conference report earmarks a minimum of $1.2 million in the fiscal year for lead-based paint efforts.

We urgently need to develop standards and guidelines for detection and abatement of lead-based paint. At present, there are no national standards or guidelines. Both the Housing Subcommittee and the HUD Subcommittee have learned that there is a great deal of abatement effort being made out there that is probably being done very poorly and which is likely to be doing more harm than good. This is a very serious problem.

It is not, however, a reason for significant delay. Our subcommittees also know that dangerous levels of lead-based paint can be detected accurately, and that paint can be abated safely. There are people around the country who know how to do it safely and who are doing it safely.

So, the current situation is that it can be done safely but is often not being done safely. That underscores the need to develop national standards and guidelines. Our subcommittees have both been told by experts that this can be done in about 6 months. I am very pleased to see that the conference report directs HUD, in cooperation with the National Institute of Building Sciences, to develop guidelines within that period of time. In the meantime, the Department's regulations which were published June 6 are put on hold. This is a prudent course, and I commend the members of the conference.

No one, however, should misread this message. To HUD, this is a message to end your delay and to get on with the crucial work of protecting our Nation's children. Do not think you are getting off the hook.

To public housing authorities around the country, this does not mean that the Congress is willing to tolerate any further procrastination. We need only the development of guidelines and standards, and then you, public housing authorities, need to move ahead immediately.

To my colleagues in the Congress, make no mistake about it—this is going to be an expensive proposition. We have significant amounts of lead-based paint not only in public housing projects, but also in thousands and thousands of units of HUD-held properties, federally assisted units, and privately owned units. We are going to have to spend large sums of money over several years to clean up this terrible threat to the public health. The problem is serious, it is immediate, and it is poisoning our children. What could be a higher priority?

I will be working with other concerned Members to develop ways to pay for this major national effort, but no Member of this House can think that it is all right simply to put off the effort for another 2, or 4, or 6 years. That just will not do. My colleagues are now on notice. We must act. The effects of further irresponsible delay would be disastrous.

□ 1600

The SPEAKER pro tempore (Mr. GRAY of Illinois). The time of the gentlewoman from New Jersey has expired.

Mr. BOLAND. Mr. Speaker, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mr. Speaker, will the gentlewoman yield?

Mrs. ROUKEMA. I am happy to yield to the gentleman.

Mr. BOLAND. Mr. Speaker, I wanted to thank the gentlewoman from New Jersey for her remarks. She is exactly on target, and she is precisely right.

Over I don't know how many years I have been hearing about the removal of lead paint in housing under the auspices of the Department of Housing and Urban Development. As the gentlewoman has stated, little or nothing has been done in that area over the past decade.

Mr. Speaker, in the conference agreement that we have that we are now working on, we did reach an agreement with the Senate with respect to compromise language. I think that we will now get some action out of HUD, in conjunction with the EPA. And I think that we will perhaps be moving in the right direction for the first time in many years.

I thank the gentlewoman from New Jersey.

Mr. BOLAND. Mr. Speaker, I yield such time as he many consume to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, I rise in support of the conference committee.

Mr. Speaker, I rise to congratulate the Appropriations Committee on one of the smaller, but important, facets of this bill.

Last March the Subcommittee on Water Resources held most revealing hearings concerning the future of the Chesapeake Bay. While the States of Maryland, Virginia, and Pennsylvania, the District of Columbia, and the Federal Government have made great stride in restoring the Chesapeake's majesty, most efforts have focused on reducing nutrients.

Arguably, more is known of the bay's ecosystem than any other major estuary, yet through the course of our hearings it became apparent that very little data existed regarding the impact of toxics on the delicate ecosystem.

I represent the Port of Baltimore, a leader in the international shipping industry and vibrant industrial center. Our harbor, like that of Hampton Roads to our south, has been significantly degraded by toxics in sediments. Toxics, even after settling in sediments remain a threat to the ecosystem of the harbor and the entire bay.

Further evidence suggests that toxics in the water column percolate and concentrate in the top half inch of the bay's surface layer. This surface "micro-layer" is also known to be a crucial center of biological activity, nurturing the earliest stages of many species' development. In fact, the extremely high concentrations of toxics in the bay's microlayer were only identified last year in the course of a study on the reproduction of striped bass.

This bill includes an earmark of $750,000 for the study of toxics in the Chesapeake Bay. These funds will initiate specific EPA studies of toxics in this national estuary. Toxics from industries on the bay's shores, toxics from acid rain, toxics from urban or agricultural runoffs, toxics already in the ecosystem—these are problems in waters everywhere, and by studying their interrelations in the Chesapeake, where so much is already known, the entire Nation will benefit. This money will not alleviate the pollution that fouls the Baltimore Harbor or clear the bay's surface waters of contaminants, but is a start.

Mr. GREEN. Mr. Speaker, I yield 3 minutes to the distinguished ranking minority member of the Committee on Science, Space, and Technology, the gentleman from New Mexico [Mr. LUJAN].

Mr. LUJAN. Mr. Speaker, as the ranking Republican member on the Science, Space, and Technology Committee, I rise in overall support of the conference report on H.R. 4800, the HUD-independent agencies appropriations bill. This bill includes appropriations for several agencies—including NASA, the National Science Foundation [NSF] and the Environmental Protection Agency [EPA]—which the Committee on Science, Space, and Technology authorize. I would like to commend the efforts of the conferees. Given fiscal constraints, they are bringing a fair compromise bill to the floor today.

The Committee on Science, Space, and Technology reported out bills that authorize the full funding level requested by the administration for NASA and NSF. Both these bills were overwhelmingly supported by the House. It is a disappointment to me that this support could not be followed up with the necessary appropriation. However, given what the other body had proposed in appropriations for NASA, this conference report has to be viewed as a success. I am particularly relieved to see that the space station has survived. Without a permanently manned space station we can forget about our dreams to one day send humans to Mars or other distant planets. It is essential that we have a facility to enable humans to learn to live and work in space for sustained periods before embarking on a trip to Mars. And perhaps equally important is the message the conference report sends to our foreign partners. The Europeans, the Canadians, and the Japanese placed their faith in us when they joined us in this ambitious program and to pull out now would do irreparable damage to our relations with these important allies.

Regarding NSF, as I have noted during House consideration of H.R. 4800 on June 22, 1988, the research budget has been essentially level funded for the last 4 years and therefore, realizing the constraints the conferees were under, I am pleased to see the research number increased from the House recommended number. I note, however, that the Antarctic funds were reduced by the same amount that research was increased by. It is unfortunate that such a tradeoff occurred, though we are at least moving in the right direction for doubling the NSF budget.

Mr. Speaker, I want to say again, that I do appreciate the efforts of the conferees on this very important piece of legislation and I believe we should support the final result. However, I don't want my support of this bill to be interpreted as 100 percent satisfaction with the level of support we are giving to research and technology. Technology is the key to our future—dollars spent on research and technology today bring economic opportunity and jobs tomorrow.

The conference report before us is a fair compromise, given where we started from, and I strongly urge my colleagues to support the conference report on H.R. 4800.

Mr. BOLAND. Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the Committee on Veterans' Affairs, the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I rise in support of this conference agreement and commend the chairman of the subcommittee, Mr. BOLAND, and the ranking minority member, Mr. GREEN, as well as Mr. WHITTEN and Mr. CONTE, for their action in bringing it before the House. The compromise worked out with the other body is good for veterans.

Today is the last time Mr. BOLAND will be bringing an appropriations bill for veterans before this body. He's been doing it since 1971 and I don't believe anybody could have done it better in any one of those 18 years. He always stood tall when attacks were made on veterans' programs. Veterans will sorely miss Mr. EDDIE BOLAND and will long remember all that he has done for them over the years.

Over the past 4 months, the Committee on Veterans' Affairs has learned that thousands of VA hospital beds have been closed because the agency did not have adequate staff to operate them. This conference agreement provides $45 million for special pay rates for nurses and other scarce medical specialists. It also provides an additional $5 million for tuition assistance payments and over $8 million for scholarships.

Veterans need to know that Congress stands behind them. Although we had anticipated that OMB would clear a supplemental request for the VA's health care system to relieve some of the pressure during the remainder of this fiscal year, such supplemental is not forthcoming. But, I'm happy to report that in the dire supplemental being considered in the Senate, $31.7 million has been added by the other body for veterans' health care for the remainder of fiscal year 1988.

I have every reason to believe that this amount will be accepted by the House conferees when they meet to resolve their differences.

Mr. Speaker, the agreement speaks out against the administration's request to reduce staffing in the two VA departments which provide the bulk of services to veterans. During the past several years, the Department of Veterans Benefits [DVB] has lost significant numbers of employees, resulting in larger delays in the handling of veterans' claims. At a hearing before our committee earlier this year, the VA admitted that only 30 percent of veterans' claims for disability benefits are resolved in a timely manner; yet the administrations' budget called for a reduction of almost 4 percent in DVB employees. This conference agreement rejects that recommendation, and provides for the current field staffing level of 12,415 employees.

As to meeting the health-care needs of aging veterans, the investment we make today could result in lower health-care expenditures in the future. I say this because the VA is already confronted with a huge number of veterans who are elderly and seek-

ing health care. What we learn from our efforts to meet their health-care needs could pay substantial dividends in planning to meet the health-care needs of elderly people who will be seeking health care in far greater numbers 5 or 10 years from now.

Thus, I am pleased that the committee has added to the number of nursing home construction projects included in this budget. Our committee's budget recommended funding for three new VA nursing home care units as well as initiation of the long-delayed Dallas replacement hospital, and this bill accomplishes those objectives.

I regret the conference agreement does not contain the construction funds for the clinical addition at the medical center in Nashville, TN. The design for this project will be completed by May 1 of next year and the project will have to be put on the shelf until the fiscal year 1990 appropriations bill is passed. I am pleased to note that the conferees agreed that construction funds would be contained in the fiscal year 1990 budget.

In addition, this agreement would increase the staffing for VA hospitals by 580 employees over the current level, including 300 employees for AIDS treatment.

By this action, the Congress is signaling its intention to care for veterans with AIDS by providing funds to the VA, which is already treating 6 to 7 percent of all reported cases nationwide, and has assigned three of its medical centers the task of becoming centers of excellence in AIDS-related research.

I do not understand how the administration ignored the huge burden which the VA is bearing with respect to treatment of veterans with AIDS, but I commend Chairman BOLAND for providing some relief in this conference agreement.

The funding in this measure will also allow the continued funding of several homeless veteran projects which began last year, and provides desperately needed funds so that the VA can recruit nurses and other health care professionals to take care of veterans.

Again, I commend the committee for the action it has taken to assist veterans and want to again thank the distinguished and very able gentleman from Massachusetts [Mr. BOLAND] for the leaership he has provided as chairman of the HUD-Independent Agencies Appropriations Subcommittee for so many years. All of us will miss him.

Mr. Speaker, today is the last day the gentleman from Massachusetts [Mr. BOLAND] will bring an appropriation bill for veterans before this body. Mr. Speaker, he has been doing this since 1971, and I really do not believe anybody could have done it better in any one of those 18 years. The gentleman from Massachusetts [Mr. BOLAND] has always stood tall when attacks were made on veterans' programs.

Mr. Speaker, veterans will sorely miss the gentleman from Massachusetts [Mr. BOLAND] and will remember him for all that he has done for them over the years.

In behalf of the 28 million veterans of this country and the 55 million dependents of the veterans, I say thanks very much to the gentleman from Massachusetts [Mr. BOLAND].

Mr. GREEN. Mr. Speaker, I yield 3 minutes to the distinguished ranking minority member of the Committee on Veterans' Affairs, the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, as ranking member of the Veterans' Affairs Committee, I rise in strong support of the conference report on the HUD-independent agencies appropriations bill for fiscal year 1989. The conference report addresses a number of specific veterans needs by adding funding for Veterans' Administration Hospital staffing, for treatment of AIDS patients, for special pay rates for badly needed nurses and other funds to recruit medical specialists, for a 2-percent pay increase and for treatment of post traumatic stress disorder.

The $10.5 billion to be appropriated for veteran's health care may not be adequate but it is as much as could be realistically expected in light of the imperative to control the deficit.

Mr. Speaker, I am very pleased to also see additional funding for staffing for the Department of Veterans Benefits and for the Board of Veterans Appeals, as well as for construction of additional nursing home units. These nursing home units are essential if the VA is to serve the aging veteran population.

Mr. Speaker, even though I steadfastly oppose the so-called Boland amendments, I join my colleagues in their accolades for Mr. BOLAND, who over the years has proved to be a steadfast friend and protector of veterans. This last conference report he brings as chairman of the HUD and Independent Agencies Subcommittee, is in keeping with all that he has done on behalf of veterans programs. Mr. Speaker, I also commend Mr. GREEN, the ranking member of the subcommittee, and Mr. WHITTEN and Mr. CONTE of the full committee for their support of veterans which is so amply demonstrated by this report.

I urge my colleagues to act favorably on the conference report for H.R. 4800.

Of course, I commend the gentleman from Mississippi [Mr. MONTGOMERY] for his input into this appropriation bill. Again, we all take off our hats to the gentleman from Massachusetts [Mr. BOLAND], and the veterans of this Nation are going to miss him.

Godspeed.

Mr. BOLAND. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, this is a sad occasion here to see us lose our good friend, the gentleman from Massachusetts [Mr. BOLAND]. I have served with him on the Committee on Appropriations since he has been on there, and I do not know of anyone who ever did a better job.

If we wanted the job done and done right and done on time, give it to the gentleman from Massachusetts [Mr. BOLAND]. I would like to see some of our friends on the Senate side take after him when he is gone from here.

Mr. Speaker, as I said earlier, nobody has ever left a better record in season and out of season. He has been responsible for a vast variety of areas—veterans, space, housing, and others—covering the waterfront and doing it well. We have not gone into detail about his work on the Intelligence Committee and on the various subcommittees, but the big thing that I realize about the gentleman from Massachusetts [Mr. BOLAND] as against many, if we gave it to the gentleman from Massachusetts [Mr. BOLAND], the job gets done; it gets done timely; and it is to the interests of the United States of America.

Mr. Speaker, we are going to miss him, and we treasure the memory and the work he has done which has been done in the interests of the whole Nation.

Mr. GREEN. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I, too, want to join in the accolades to the gentleman from Massachusetts, who has been a superb Member of Congress while he has been here.

Mr. Speaker, I do want to raise a couple of questions with regard to the bill he brings before us today though. I think we ought to make certain that we understand just exactly what we have here. We do have a bill of $719 million over budget. I take that directly out of the committee report. I think we ought to recognize that.

We do have a bill that on the drug-free workplace language has deferred to the Teasury bill, and that is something which this gentleman agrees to, and I am pleased to see that worked out the way it has been.

Third, we do have a bill on this that supports the space station, but one has to wonder for how long. The provision which is there that defers $515 million of the spending until next year is in fact a fairly troublesome amendment, when you read the language that is in the recent aerospace publication where Governor Dukakis makes it

quite clear that he is against the space station.

In fact, what that language will allow Governor Dukakis to do if he becomes President is to kill the space station, and that is something which I find disturbing.

Fourth and finally, I am also disturbed by amendment No. 64 that is in the bill. We often hear it said here on the House floor that the reason why the Committee on Appropriations has to act is because the authorization committees do not appropriately act. Here is a case where the Committee on Appropriations has taken a legislative action which has taken an authorization action in a bill which is in the process of being worked on by the authorizing committee.

We passed this bill and provisions relating to this subject matter, namely, the buying of an icebreaker, out of the Committee on Science, Space, and Technology. We are in conference trying to work out the language on this exact item. What do we find after we have worked for some weeks trying to come up with language? We have an appropriation bill that totally takes away our authority and makes all the work we have done junk. I tell the Members, that is exactly why some of us on authorizing committees get a little upset with the appropriations process. Why in the world should we have authorizing committees around here if what the Committee on Appropriations is going to do is set aside everything the authorizing committees do? Why should we have authorizing committees? Why do we not just turn over all the work to the Committee on Appropriations and let them do it all? This is the kind of thing which should not be done. It may be a perfectly appropriate kind of action to take, but it is, in fact, in the jurisdiction of the authorizing committees.

□ 1615

You all on the Appropriations Committee are not a college of cardinals around here. We have a lot of responsibilities a lot of us carry, and you should not be involved in taking this kind of action. It is wrong, and I think the fact that it is in there should be protested.

I thank the gentleman for yielding.

Mr. BOLAND. Mr. Speaker, I yield myself such time as I may consume to make a brief response to the distinguished gentleman from Pennsylvania. In what he complains about he is absolutely right. I have no problem with it, except that there is no authorization bill for the National Science Foundation. Oftentimes the appropriations are essential in the absence of authorizing legislation to carry out the very programs the gentleman from Pennsylvania and others who serve on the authorizing committee want.

As I recall, the NSF authorization bill did consider a provision indicating a 25-percent differential, as the gentleman from Pennsylvania indicated. This conference agreement provides for a 50-percent differential, and then after the 50 percent they have to get another look at any subsidy from the particular foreign builders in Denmark, Singapore, and Finland, in addition to the one bidder from the United States.

So the gentleman from Pennsylvania I think complains rightfully. But, oftentimes we are caught on the horns of a dilemma, and we try to resolve the problems where no authorization has come to the floor or has not been passed.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I am delighted to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding, because I know my complaint really is we on the authorizing committees cannot get our work done because somebody does an end run around us and takes it to the Appropriations Committee and so, therefore, if a Member holds out long enough in the authorizing process, sometimes it gets taken care of in the appropriations process, and I just think that is wrong. It takes the pressure off the authorizing committees to do the right thing. This is not a case where the issue was being neglected. It is a question where there were active negotiations underway on this specific issue that has now been resolved. For all intents and purposes the policy has been set by the Appropriations Committee, and we might as well fold up our tent on the issue and let it go, because we no longer have any say in the issue.

I would just say to the gentleman that I think that is not the way that the system is supposed to work.

Mr. BOLAND. Would the gentleman from Pennsylvania agree that this bill probably has less of that than some of the other bills that come to the floor?

Mr. WALKER. The gentleman is correct on that. I just happened to be somebody who was directly involved in negotiating on this particular subject matter, so it stuck out like a sore thumb.

Mr. BOLAND. I thank the gentleman from Pennsylvania.

Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. TRAXLER], one of our very distinguished and valued members of the committee and who in the 101st Congress will be chairing this subcommittee, hopefully.

Mr. TRAXLER. Mr. Speaker, I thank the gentleman for yielding time to me and want to salute him in the presentation of, we hope, his last bill. As usual, he has done a magnificent job, and more importantly even, the work product of the gentleman from Massachusetts and his manner and fashion in which he has conducted himself in this body over the years sets a sterling example for those who come after. You are a gentleman of the first order.

I would just like to say in conclusion, Mr. Speaker, that the reference to $719 million over the budget is a reference to the President's budget, and as we all know, under the Budget Control and Impoundment Act, the Congress fashions its own budget. The figures that are contained in this conference report are well within the figures established in the congressional budget effort, and had we followed the President's efforts we would have had to make substantial reductions in HUD as well as the Veterans' Administration medical accounts. The Congress and the House rejected that approach, and I am pleased to say that we bring to my colleagues a bill that is well balanced, not perfect, but well balanced. We did the best we could under very difficult economic circumstances that the Congress finds itself in today.

Mr. GREEN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Ohio [Mr. WYLIE], the ranking minority member of the Committee on Banking, Finance and Urban Affairs.

Mr. WYLIE. Mr. Speaker, I join with my colleagues in commending Chairman BOLAND for his outstanding work on this most important appropriation subcommittee and for his stewardship over the years. He has been very knowledgeable and forthright with this Member at all times, and his service will certainly be missed by all, including this Member.

I would also commend the gentleman from New York [Mr. GREEN] for his excellent work on this appropriation bill.

I believe the Appropriation Committee funding levels for HUD programs under the jurisdiction of the Committee on Banking, Finance and Urban Affairs are worthy of our support. They are within the budgetary limits of the concurrent budget resolution and the economic summit.

The conference report I think reflects the realities and the need to examine carefully and prioritize Federal programs by reducing the wasteful and costly corporate welfare programs, one of which is the UDGA Program. There is zero funding in there for that. I think we can no longer afford the luxury of that program.

At the same time, there is increased funding for the very popular Community Development Block Grant Program. It has been popular in my area. It is an effective program that has been very beneficial to the community.

Although I do not support every item in the bill, overall I commend the gentleman from Massachusetts, Chairman BOLAND, and the gentleman from New York, Mr. GREEN the ranking minority member, for bringing forth a bill which is very worthy of our support.

Mr. BOLAND. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Florida [Mr. NELSON].

Mr. NELSON of Florida. Mr. Speaker, I have just returned from a meeting at the Johnson Space Center in Houston and the Kennedy Space Center in Florida.

They know, Mr. Chairman BOLAND, of the work of your committee and the work of the conference, and the expectations and the esprit de corps as we prepare *Discovery* for launch are considerably heightened as a result of your work and of the work of the gentleman from New York [Mr. GREEN] and I commend both gentlemen. In an otherwise impossible budget situation, where most agencies of Government are getting a zero increase, you have fashioned a legislative vehicle and have charted the dangerous legislative waters to come out with a respectable 16 percent increase of funding for NASA, and stepped forward in a major funding commitment toward the space station.

For the generations to come, Mr. Chairman BOLAND, who have resident in their hearts a fascination, a yearning and a desire for nothing less than an excellent civilian space program for this Nation, on their behalf we thank you.

Mr. GREEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before this bill comes to a vote, I want to emphasize the funding that we have provided for the homeless programs because of the urgency of those programs.

First, for the Emergency Shelter Grant Program we have $46.5 million. That is up from $8 million in the fiscal year 1988 bill. There is $80 million for the Transitional Housing Program, up from $65 million in the fiscal year 1988 bill; 950 units of the handicapped portion of the Section 202 Program will go for the deinstitutionalized mentally ill; $45 million and 1,270 section 8 units are for the Homeless SRO Program.

There is $114 million for the Emergency Food and Shelter Program versus $34 million in the fiscal year 1988 bill.

In summary, homeless program funding amounts to $286.6 million, plus the $142 million over 20 years for the section 8 funding for the section 202 program.

So again, while had we more money we could have done more, nonetheless, I think the House should understand that we have provided very substantial funding in here for the homeless programs.

Mr. BOLAND. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Speaker, I rise in support of this conference agreement and to draw attention to a portion of this bill which is of particular importance to those of us from the Great Lakes Basin.

I want to commend the conference committee for allocating $13 million to the Great Lakes national program office. This funding represents a 15-percent increase over the office's 1988 budget and it could not come at a more opportune time.

The funding will allow us to hold up our end of the bargain in the "Great Lakes Water Quality Agreement" we signed with Canada. It provides money for pollution monitoring and the development of projects to start the difficult process of removing toxic contamination from the lakes. With legislation like this, I hope we will one day be able to consider "toxic hot spots" a thing of the past.

The Great Lakes represent 95 percent of the fresh surface water in America. They are havens for wildlife, fishermen, shippers, scientists and vacationers alike. They enhance the lives of all Americans and I am proud that we in Congress are able to recognize their value by this action today.

As cochair of the Northeast-Midwest Coalition, which spearheaded efforts to increase funding for this vital program, I am particularly pleased to support this legislation and call on all of my colleagues to do the same.

Mr. GREEN. Mr. Speaker, I yield 3 minutes to our colleague on the Appropriations Committee, the distinguished gentleman from Ohio [Mr. MILLER].

Mr. MILLER of Ohio. Mr. Speaker, I thank the gentleman from New York for yielding time to me. I want to commend the chairman of the committee, ED BOLAND, for the great work that he has accomplished, along with the gentleman from New York, BILL GREEN, for the great work that they have accomplished. It is remarkable what can be accomplished when we have people working together in order to produce a conference report such as this.

Most people feel that this is a housing bill as such, but the bill includes funding for the Environmental Protection Agency, the Federal Emergency Management Agency, the National Science Foundation, the Space Program, the Veterans' Administration, and many more. But it takes working together in order to come up with a conference report as we have before us today.

Again, I want to thank not only the chairman of the committee and the ranking minority member, but also all of the members of the committee for a job well done.

Mr. BOLAND. Mr. Speaker, I thank the gentleman from Ohio who serves with distinction on the full Appropriations Committee and all of those who have expressed their appreciation for the work of the distinguished gentleman from New York [Mr. GREEN], the ranking minority member, and myself.

Let me also pay tribute to our staff. I think like all appropriation subcommittees, the staff of this subcommittee equals the best of them. I refer to Richard Malow, Paul Thomson, Don Ryan, and Beverly Taylor, who serve on the majority side, and Jeff Lawrence, on the minority side, and all of the associate staff members who help the members of this appropriations subcommittee.

Mr. CONTE. Mr. Speaker, this represents the second of our thirteen appropriations bills that we intend to bring to the floor this year. I want to commend the chairman of the subcommittee, my good friend EDDIE BOLAND, as well as the ranking minority member, BILL GREEN, for their hard work I also want to commend the committee chairman, JAMIE WHITTEN, for all that he has done to keep our bills moving forward.

Mr. Speaker, as you know, on the basis of the budget summit agreement of last November, we reached an understanding of what we were going to do this year, and we've been going out and doing it. If people wonder what it takes to get our financial house in order, I think we've been showing that you don't need more committees or more procedures. You just need some good basic leadership. And that's what I think our committee has been demonstrating this year.

We passed all our 13 bills in the House this year by June 29, the best record in some 28 years. Thus far, we've gotten one bill completely through and signed into law, Energy and Water, and this one makes the second. We've got two more that we hope to wrap our conferences up today. Conferences are underway or anticipated soon in four other bills. And I expect to go to conference on all the remaining bills early in September.

It is still within our grasp to have all our bills enacted separately into law, and that is my goal. Unfortunately, there are some forces working against us. The Senate is in the process of turning the Defense appropriations bill into a three-ring circus. Our so-called dire emergency supplemental is sitting over there, while the dire emergencies cool their heels while the Senate wages Contra war on itself. If they don't restrain themselves, it could throw a real monkey wrench into our plans, and horror of all horrors, carry us into a continuing resolution.

But I will continue to lend all my effort and support to getting all our 13 bills out individually. That is the way the process should work, and the way we've made it work this year. We made our agreement last November, as part of the budget summit, and we've stuck

to it so far. I just hope we can resist all the politics and all the temptations to enact last minute election year goodies, and keep on demonstrating the kind of leadership that is shown with this conference agreement today.

Mr. Speaker, I rise today in support of H.R. 4800, the HUD-independent agencies appropriations bill for fiscal year 1989. This conference agreement provides $59.3 billion in new budget authority for the programs operated by the Department of Housing and Urban Development and 17 independent agencies, including the Environmental Protection Agency, the Federal Emergency Management Agency, the National Aeronautics and Space Administration, the National Science Foundation, and the Veterans' Administration. That level of funding is $1.8 billion more than the fiscal yaer 1988 appropriation and $720 million over the President's request. And, it is well below the House 302(b) allocation both for budget authority and for outlays.

However, the compromises contained in this bill have been among the toughest struck this year. The requirements of the budget summit agreement combined with the priorities contained in the President's request have required nearly impossible choices.

One of those that has hurt the most is the fact that this bill terminates the Urban Development Action Grant Program. This program has been one of the most important community development programs that we have ever funded. Time and again, I have worked to save this program for elimination proposed by the administration or the Senate. Over the last 10 years, funding has gone from $400 million in 1978, to $675 million in 1981, to zero in this bill. During that time period, we provided $4.4 billion in direct grants, leveraging $27.3 billion in private investments, creating 312,000 new jobs, constructing 80,000 units of housing, generating $620 million in annual tax revenues for our local communities. But this year, the allocation was not adequate to accommodate the $225 million UDAG authorization, and the votes simply were not there to sustain it. I only hope we can keep it alive this year with carryover from previous years, so that we can come back next year with a revised and fundable program.

I am pleased that the conference agreement includes $2.65 billion for the Community Development Block Grant Program, 9,500 new units of housing for the elderly and handicapped, and $165 billion for the public housing modernization program. The total HUD appropriation is $12.77 billion, a reduction of more than $500 million from the fiscal year 1988 level.

For the independent agencies, H.R. 4800 provides support for a number of other programs that I strongly support, such as the $50 million for removal of asbestos from the schools, $1.950 billion for EPA construction grants, $10.5 billion—an increase of $448 million—for veterans' medical care, and $1.885 billion for the National Science Foundation.

I spoke about how tough the choices have been this year in the HUD-Independent Agencies bill. No one knows better how tough this year has been than the chairman of the subcommittee, my friend and colleague from Massachusetts, EDDIE BOLAND, who has served as chairman since 1971.

This conference report is the 18th regular HUD bill that he has brought back before the House. The first one was in 1972 and totaled $18.1 billion, compared to the nearly $60 billion in H.R. 4800. Unfortunately, this will be the last conference report that EDDIE BOLAND will bring before us and I want to take this opportunity to thank and congratulate the chairman for his many years of dedicated service to our committee, the Congress, and the Nation.

Through our many years together, we have fought to establish, expand, and preserve programs serving low-income families, distressed communities, veterans, consumers, environmental protection and scientific research. This year the numbers weren't there, despite the fact the desire still burned. We'll miss you, EDDIE, and we wish you good luck and Godspeed.

Mr. SCHUMER. Mr. Speaker, I would like to thank the committee, the gentleman from Massachusetts and the gentleman from New York for including a small but important sum of money for the Nehemiah Program in the bill.

Nehemiah is a model for housing programs of the future. It shows what can be accomplished when community groups, the Government, the private sector, and labor work together.

Nehemiah is a shallow subsidy, Second Mortgage Homeownership Program which is highly cost effective.

The Federal Government, which would have to spend about $80,000 or more to build a single unit of public housing in my city, can spend just $10,000 to help a struggling family become a homeowning family.

And in most cases, that family will vacate a unit of public housing, creating space for, perhaps, a homeless family or a family languishing in a welfare hotel.

For thousands of families across the country, Nehemiah offers the key to the American dream—the key to their first home.

Low- and moderate-income people who are scrimping and saving will now be able to afford homeownership—a goal previously out of reach.

Nehemiah homes will be built in blocks, creating a critical mass of committed new homeowners that reclaim neighborhoods that have fallen into decay.

Like the prophet Nehemiah, sent to rebuild Jerusalem, this program will offer the hope of renewal for hundreds of communities and thousands of families across the Nation.

I urge and invite my colleagues to watch how this program brings hope to people across this Nation. It is a clear demonstration of what can be accomplished when the Government works with other sectors of our society.

Mr. DINGELL. Mr. Speaker, I rise today in support of the Conference Report for the HUD-independent agencies appropriations bill. The report represents an excellent compromise of House and Senate bills and will fund a variety of good programs necessary to the well-being of countless Americans.

In particular, I praise the work of my colleague from Massachusetts, the Honorable EDWARD P. BOLAND, chairman of the HUD-Independent Agencies Subcommittee, and my good friend and colleague from Michigan, the Honorable BOB TRAXLER. These two gentlemen were instrumental in furthering efforts to restore the Allen Park Veterans Hospital and to construct the Detroit Veterans Hospital. With my deep gratitute and thanks, Chairman BOLAND and Congressman TRAXLER have included legislative language directing the Veterans' Administration to proceed with plans for a 503-bed veterans' hospital in Detroit, MI.

In December 1986, the Veterans' Administration made a commitment to develop a dual campus facility including restoraton of the existing Allen Park Hospital and the building of a Detroit facility of 503 beds. Since that time, the Veterans' Administration has proposed to reduce the size of the Detroit facility to 400 beds.

In addition to House committee report language, Chairman BOLAND and Congressman TRAXLER have extended their efforts to include legislative language in the conference report urging the Veterans' Administration to proceed with its original plans for the Detroit hospital. This represents the support and conviction of the entire Michigan congressional delegation and will encourage the VA to move forward with the original 503-bed agreement.

In my opinion, the proposed bed reduction at the Detroit hospital would have been a serious disservice to the veterans of southeastern Michigan. After numerous years of work by veteran organizations, the entire Michigan congressional delegation, and local officials, I am pleased to see the 530-bed facility moving forward. I offer special thanks to my colleagues Chairman BOLAND and Congressman TRAXLER for their efforts toward that end.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of the confernece report which accompanies H.R. 4800.

I and the membership of the House Veterans' Affairs Committee have been greatly concerned about the adequacy of funding for VA's Department of Medicine and Surgery and VA's Department of Veterans' benefits. The Conference report addresses these two concerns.

Mr. Speaker, the bill before us is a compromise between the bill that passed the House of Representatives and the bill that passed the other body. It is $26 million less than the House passed bill, but $97 million in excess of that which originally passed the Senate. It is obvious, therefore, that the House conferees on H.R. 4800 have generally prevailed in discussions with the other body. I congratulate them for their persuasiveness.

Mr. Speaker, I note that funding is obviously intended to support 194,720 full-time equivalent employees for the Department of Medicine and Surgery. I note further that the bill will allow the Department of Medicine and Surgery to have a staffing level of 12,415 employees, thus enabling it to more timely serve its clientele with respect to compensation, pension, education, and insurance.

Mr. Speaker, I congratulate the distinguished chairman of the Subcommittee on HUD and Independent Agencies. Over the years he has done yeoman work with respect to veterans' benefits and services, and he will be sorely missed as he leaves this body. I also congratulate the distinguished ranking mi-

nority member, Mr. GREEN, for his contributions, and, of course, Mr. WHITTEN and Mr. CONTE.

Mr. Speaker, it will be my continuing hope that the Congress will maintain a constant vigil over VA's appropriations to the end that this Nation's moral obligations to its veterans and dependents are carried out.

Mr. WORTLEY. Mr. Speaker, I rise in support of the conference report on H.R. 4800 and I urge my colleagues to give it their support as well.

The bill before us will provide over $59 billion in funds for important agencies ranging from the Environmental Protection Agency to the Veterans' Administration. In particular, it appropriates almost $13 billion for the Federal Government's role throughout fiscal year 1989 in the areas of housing and urban development.

This bill, however, is not perfect. I, for one, wish it contained more for the homeless programs which we recently authorized. It is also regrettable that it does not contain funding for the important UDAG programs which have been of great assistance to the people of central New York. And, although we increased total funding for veterans' programs, they will yet again fail to keep pace with inflation.

In the long run, we will have to continue to seek better ways to use the limited funds available. This will mean building greater flexibility and efficiency into the very structure of these programs. A good start would be to give vouchers a more prominent role in our attempts to provide housing assistance. While over a billion dollars is earmarked for this approach, it is disappointing to note that the overwhelming majority of housing assistance is still administered through an inefficient centralized authority.

But, overall the bill is a decent compromise and a sign that we are willing to make the tough choices that we face. It is no secret that we are operating under severe budgetary constraints, and it is a reassuring sign that we can roll up our sleeves and take this significant steep in the budgeting process.

Mr. TRAFICANT. Mr. Speaker, I rise in strong support of the conference report on H.R. 4800, the fiscal year 1989 HUD-independent agencies appropriations bill. This bill appropriates funds for urgently needed housing programs administered by HUD. Many of these programs directly benefit economically depressed regions like the Mahoning Valley in northeast Ohio, which has lost 55,000 jobs in the past 10 years.

Affordable housing is becoming more and more elusive for lower to middle income Americans. The conference report we are considering today appropriates funds for programs such as rental rehabilitation grants, rental housing development grants, low-income housing projects, emergency shelter grants, community and planning development projects, and housing counseling assistance. While the appropriation levels for many of these programs are less than that was approved in the House version of the bill, it is important that these programs have been funded at levels that allow them to continue to benefit and assist Americans most in need.

Of particular interest to me is the housing counseling programs administered by HUD. I am pleased that the House-Senate agreement retains $1 million for a new counseling program I had authorized in the Housing and Community Development Act of 1987 (Public Law 100–242). The agreement also appropriates $2.5 million for existing HUD-counseling programs.

Under my new program, HUD is authorized to make grants to nonprofit organizations to be use to counsel all homeowners. Current HUD counseling programs only cover FHA and other HUD-backed loans. Eligibility for assistance would be limited only to those homeowners with good credit and work histories who have been unable to make mortgage payments due to conditions beyond their control. This new law would also require that lenders, in sending out delinquency notices, also include information on where the homeowner can go get counseling from HUD-approved counseling agencies. HUD would also be required to establish a toll-free number homeowners can call to get information on HUD-approved counseling assistance.

The appropriation of $1 million in the conference report on H.R. 4800 for this new program will enable HUD to draft and implement the regulations necessary to get this program started. In addition, it sets an important legislative precedent which will make it easier to get this new counseling program reauthorized in future years.

Mr. Speaker, the conference report on H.R. 4800 is important to the Nation and I urge all Members to support final passage.

Mr. GEPHARDT. Mr. Speaker, I want to commend the conferees on their efforts on the conference report for H.R. 4800, HUD-independent agencies appropriations. The agreement is a good one, one that will assist in better meeting the housing needs of the people of this nation.

This bill does include important measures which provide for the construction of housing for the elderly, handicapped, and Native Americans, rejects the President's proposal to provide most low-income housing assistance through housing vouchers, and funds emergency homeless shelters. However, though I do support the majority of the measures in the conference agreement, I wish to state publicly my concern over the failure to fund the Urban Development Action Grant [UDAG] Program and the reduction in funding for the Community Development Block Grant [CDBG] Program.

I am disappointed in the failure to fund these programs adequately, because they provide numerous economic benefits to cities and other communities in need of revitalization. The UDAG and CDBG programs have served the economic needs of my city of St. Louis, and our nation well. Their contribution to the growth and vitality of cities throughout our nation, like St. Louis, has created jobs and housing, raised revenue, and encouraged energy conservation and historic preservation. Today, we must acknowledge the fact that these economic benefits will be greatly diminished until funding for the UDAG and CDBG programs is restored to adequate levels.

In the case of St. Louis, a total of $80 million in UDAG funds has been crucial in the revitalization of my district over the past 8 years. These funds have spurred roughly $700 million in development, assisted in the creation of 9,500 construction jobs and 7,000 permanent employment positions, and provided for the building of 2,500 housing units in St. Louis.

I believe that our nation will suffer from the failure to fund the UDAG and CDBG programs at adequate levels. Funding for these important and valuable programs should be restored in the future so that we can continue to encourage economic growth and development in cities throughout the United States.

Mr. SCHUMER. Mr. Speaker, Nehemiah is a model for housing programs of the future. It shows what can be accomplished when community groups, the Government, the private sector, and labor work together.

Nehemiah is a shallow subsidy, second mortgage homeownership program which is highly cost effective.

The Federal Government, which would have to spend about $80,000 or more to build a single unit of public housing in my city, can spend just $10,000 to help a struggling family become a homeowning family. And in most cases, that family will vacate a unit of public housing, creating space for, perhaps, a homeless family or a family languishing in a welfare hotel.

For thousands of families across the country, Nehemiah offers the key to the American dream—the key to their first home. Low- and moderate-income people who are scrimping and saving will now be able to afford homeownership—a goal previously out of reach.

Nehemiah homes will be built in blocks, creating a critical mass of committed new homeowners that reclaim neighborhoods that have fallen into decay.

Like the prophet Nehemiah, sent to rebuild Jerusalem, this program will offer the hope of renewal for hundreds of communities and thousands of families across the Nation.

I urge and invite my colleagues to watch how this program brings hope to people across this Nation. It is a clear demonstration of what can be accomplished when the Government works with other sectors of our society.

Mr. GREEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BOLAND. Mr. Speaker, I have no more requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GREEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 373, nays 30, not voting 27, as follows:

[Roll No. 268]

YEAS—373

| | | |
|---|---|---|
| Ackerman | Eckart | Kolbe |
| Akaka | Edwards (CA) | Kolter |
| Alexander | Edwards (OK) | Konnyu |
| Anderson | Emerson | Kostmayer |
| Andrews | English | LaFalce |
| Annunzio | Erdreich | Lagomarsino |
| Anthony | Espy | Lancaster |
| Applegate | Evans | Lantos |
| Archer | Fascell | Leach (IA) |
| Armey | Fazio | Leath (TX) |
| Aspin | Feighan | Lehman (CA) |
| Atkins | Fields | Lehman (FL) |
| AuCoin | Fish | Leland |
| Baker | Flake | Lent |
| Ballenger | Flippo | Levin (MI) |
| Barnard | Florio | Levine (CA) |
| Bartlett | Foglietta | Lewis (FL) |
| Bateman | Foley | Lightfoot |
| Bates | Ford (MI) | Lloyd |
| Bennett | Ford (TN) | Lott |
| Bentley | Frank | Lowery (CA) |
| Bereuter | Frost | Lowry (WA) |
| Bevill | Gallegly | Lujan |
| Bilbray | Gallo | Luken, Thomas |
| Bilirakis | Garcia | Lukens, Donald |
| Bliley | Gaydos | Madigan |
| Boehlert | Gejdenson | Manton |
| Boggs | Gekas | Markey |
| Boland | Gephardt | Marlenee |
| Bonior | Gibbons | Martin (NY) |
| Bonker | Gilman | Martinez |
| Borski | Gingrich | Matsui |
| Bosco | Glickman | Mavroules |
| Boucher | Gonzalez | Mazzoli |
| Boxer | Goodling | McCandless |
| Brennan | Gordon | McCloskey |
| Brooks | Gradison | McCrery |
| Broomfield | Grandy | McCurdy |
| Bruce | Grant | McDade |
| Bryant | Gray (IL) | McHugh |
| Buechner | Gray (PA) | McMillan (NC) |
| Bustamante | Green | McMillen (MD) |
| Byron | Gregg | Meyers |
| Callahan | Guarini | Mfume |
| Campbell | Gunderson | Michel |
| Cardin | Hall (OH) | Miller (CA) |
| Carper | Hall (TX) | Miller (OH) |
| Carr | Hamilton | Miller (WA) |
| Chandler | Hammerschmidt | Mineta |
| Chapman | Hansen | Moakley |
| Chappell | Harris | Mollohan |
| Clarke | Hastert | Montgomery |
| Clement | Hawkins | Moody |
| Clinger | Hayes (IL) | Morella |
| Coats | Hayes (LA) | Morrison (CT) |
| Coble | Hefner | Morrison (WA) |
| Coelho | Henry | Mrazek |
| Coleman (MO) | Herger | Murphy |
| Coleman (TX) | Hertel | Murtha |
| Collins | Hiler | Myers |
| Conte | Hochbrueckner | Nagle |
| Conyers | Holloway | Natcher |
| Cooper | Hopkins | Neal |
| Courter | Houghton | Nelson |
| Coyne | Hoyer | Nichols |
| Crockett | Hubbard | Nowak |
| Darden | Huckaby | Oakar |
| Daub | Hughes | Oberstar |
| Davis (MI) | Hunter | Obey |
| de la Garza | Hutto | Olin |
| DeFazio | Hyde | Ortiz |
| DeLay | Inhofe | Owens (NY) |
| Dellums | Ireland | Owens (UT) |
| Derrick | Jacobs | Oxley |
| DeWine | Jeffords | Packard |
| Dickinson | Jenkins | Panetta |
| Dicks | Johnson (SD) | Parris |
| Dingell | Jones (NC) | Pashayan |
| DioGuardi | Jones (TN) | Patterson |
| Dixon | Jontz | Payne |
| Donnelly | Kanjorski | Pease |
| Dorgan (ND) | Kaptur | Pelosi |
| Downey | Kasich | Penny |
| Durbin | Kastenmeier | Pepper |
| Dwyer | Kennedy | Perkins |
| Dymally | Kennelly | Pickett |
| Dyson | Kildee | Pickle |
| Early | Kleczka | Porter |
| Price | Shaw | Tauzin |
| Pursell | Shays | Thomas (CA) |
| Quillen | Sikorski | Thomas (GA) |
| Rahall | Sisisky | Torres |
| Rangel | Skaggs | Torricelli |
| Ravenel | Skeen | Towns |
| Ray | Skelton | Traficant |
| Regula | Slattery | Traxler |
| Rhodes | Slaughter (NY) | Udall |
| Richardson | Slaughter (VA) | Valentine |
| Ridge | Smith (FL) | Vander Jagt |
| Rinaldo | Smith (IA) | Vento |
| Ritter | Smith (NE) | Visclosky |
| Roberts | Smith (NJ) | Volkmer |
| Robinson | Smith (TX) | Vucanovich |
| Rodino | Smith, Robert (OR) | Walgren |
| Roe | Snowe | Watkins |
| Rogers | Solarz | Waxman |
| Rose | Solomon | Weber |
| Rostenkowski | Spratt | Weiss |
| Roth | St Germain | Weldon |
| Roukema | Staggers | Wheat |
| Rowland (CT) | Stallings | Whittaker |
| Roybal | Stangeland | Whitten |
| Sabo | Stark | Williams |
| Saiki | Stenholm | Wilson |
| Savage | Stokes | Wise |
| Sawyer | Stratton | Wolf |
| Saxton | Studds | Wolpe |
| Schaefer | Sundquist | Wortley |
| Scheuer | Sweeney | Wyden |
| Schneider | Swift | Wylie |
| Schroeder | Swindall | Yates |
| Schuette | Synar | Yatron |
| Schulze | Tallon | Young (AK) |
| Schumer | Tauke | Young (FL) |
| Sharp | | |

NAYS—30

| | | |
|---|---|---|
| Barton | Dreier | Russo |
| Beilenson | Fawell | Sensenbrenner |
| Brown (CO) | Frenzel | Shumway |
| Bunning | Kyl | Smith, Denny (OR) |
| Burton | Latta | Smith, Robert (NH) |
| Cheney | Lipinski | Stump |
| Combest | Lungren | Upton |
| Craig | McEwen | Walker |
| Crane | Moorhead | |
| Dannemeyer | Nielson | |
| Davis (IL) | Petri | |

NOT VOTING—27

| | | |
|---|---|---|
| Badham | Hefley | Martin (IL) |
| Berman | Horton | McCollum |
| Boulter | Johnson (CT) | McGrath |
| Brown (CA) | Kemp | Mica |
| Clay | Lewis (CA) | Molinari |
| Coughlin | Lewis (GA) | Rowland (GA) |
| Dornan (CA) | Livingston | Shuster |
| Dowdy | Mack | Spence |
| Hatcher | MacKay | Taylor |

□ 1649

The Clerk announced the following pair:

On this vote:

Mrs. Martin of Illinois for, with Mr. Boulter against.

Mr. GEKAS changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore (Mr. GRAY of Illinois). The Clerk will designate the first amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 1: Page 2, strike out all after line 5 over to and including line 4 on page 5, and insert:

(INCLUDING RESCISSION AND TRANSFER OF FUNDS)

For assistance under the United States Housing Act of 1937, as amended ("the Act" herein) (42 U.S.C. 1437), not otherwise provided for, $7,404,249,500, to remain available until expended, and, in addition, $125,000,000 of unobligated balances shall be provided by transfer from the Flexible Subsidy Fund account, to remain available until expended: *Provided*, That of the budget authority provided herein, $106,850,788 shall be for the development or acquisition cost of public housing for Indian families; $2,065,000,000 shall be for modernization of existing public housing projects pursuant to section 14 of the Act (42 U.S.C. 1437l); $1,090,153,040 shall be for assistance under section 8 of the Act for projects developed for the elderly or handicapped under section 202 of the Housing Act of 1959, as amended (12 U.S.C. 1701q); $45,00,000 shall be for the section 8 moderate rehabilitation program (42 U.S.C. 1437f), to be used to assist homeless individuals under section 441 of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77); up to $307,430,000 shall be for section 8 assistance for property disposition; $1,273,810,280 shall be available for the housing voucher program under section 8(o) of the Act (42 U.S.C. 1437(o)); and $692,200,000 shall be for the section 8 existing housing certificate program (42 U.S.C. 1437f): *Provided further*, That notwithstanding the provisions of section 18(b)(3)(A)(v) of the Act, the contracts for any certificates under section 8 that are used to assist tenants of public housing projects which are sold or demolished shall be for a term of five years: *Provided further*, That up to $145,462,500 shall be for loan management under section 8 and that any amounts of budget authority provided herein that are used for loan management activities under section 8(b)(1) (42 U.S.C. 1437f(b)(1)) shall not be obligated for a contract term that exceeds five years, notwithstanding the specification in section 8(v) of the Act that such term shall be 180 months: *Provided further*, That those portions of the fees for the costs incurred in administering incremental units assisted in the certificate and housing voucher programs under sections 8(b) and 8(o), respectively, shall be established or increased in accordance with the authorization for such fees in section 8(q) of the Act: *Provided further*, That of the $7,404,249,500 provided herein, $399,666,960 shall be used to assist handicapped families (including the deinstitutionalized mentally ill) in accordance with section 202(h) (2), (3) and (4) of the Housing Act of 1959, as amended (12 U.S.C. 1701q): *Provided further*, That amounts equall to all amounts of budget authority (and contract authority) reserved or obligated for the development or acquisition cost of public housing (excluding public housing for Indian families), for modernization of existing public housing projects (excluding such projects for Indian families), and for programs under section 8 of the Act (24 U.S.C. 1437f), which are recaptured during fiscal year 1989, shall be rescinded: *Provided further*, That of the amount of new budget authority specified for modernization of existing public housing projects pursuant to section 14 of the Act (42 U.S.C. 1437l), 20 percent shall be used under such section 14 of major reconstruction of obsolete public housing projects: *Provided further*, That amounts equal to recaptured amounts for housing development grants

shall be made available during 1989 on the terms specified in the sixth proviso under this head in the Department of Housing and Urban Development appropriation for 1987 (section 101(g) of Public Laws 99-500 and 99-591, 100 Stat. 1783, 1783-242, and 3341, 3341-242): *Provided further,* That section 17(d)(4)(G) of the Act is amended by inserting after "July 23, 1985" the following: "; and 36 months after notice in the case of projects for which funding notices were issued during fiscal year 1986:" *Provided further,* That none of the amounts made available for obligation 1989 shall be subject to the provisions of section 213(d) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 1439).

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND. Moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

(INCLUDING RESCISSION)

For assistance under the United States Housing Act of 1937, as amended ("the Act" herein) (42 U.S.C 1437), not otherwise privided for, $7,538,765,000, to remain available until expended: *Provided,* that of the new budget authority provided herein, $89,350,788 shall be for the development or acquisition cost of public housing for Indian families, including amounts for housing under the mutual help homeownership opportunity program (section 202 of the Act, as amended by section 2 of Public Law 100-358, approved June 29, 1988); $343,347,300 shall be for the development or acquisition cost of public housing, including major reconstruction of obsolete public housing projects, other than for Indian families; $1,646,948,200 shall be for modernization of existing public housing projects pursuant to section 14 of the Act (42 U.S.C. 14371); $969,570,000 shall be for assistance under section 8 of the Act for projects developed for the elderly under section 202 of the Housing Act of 1959, as amended (12 U.S.C. 1701q); $572,059,890 shall be for the section 8 existing housing certificate program (42 U.S.C. 1437f); $368,473,610 shall be for the section 8 moderate rehabilitation program (42 U.S.C. 1437f), of which $45,000,000 is to be used to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77); up to $307,430,00 shall be for section 8 assistance for property disposition; and $1,354,937,780 shall be available for the housing voucher program under section 8(o) of the Act (42 U.S.C. 1437f(o)); *Provided further,* that of that portion of such budget authority under section 8(o) to be used to achieve a net increase in the number of dwelling units for assisted families, highest priority shall be given to assisting families who as a result of rental rehabilitation actions are involuntarily displaced or who are or would be displaces in consequence of increased rents (wherever the level of such rents exceeds 35 percent of the adjusted income of such families, as defined in regulations promulgated by the Department of Housing and Urban Development); *Provided further,* That up to $145,462,500 shall be for loan management under section 8 and that any amounts of budget authority provided herein that are used for loan management activities under section 8(b)(1) (42 U.S.C. 1437f(b(1)) shall not be obligated for a contract term that exceeds five years, notwithstanding the specification in section 8(v) of the Act that such term shall be 180 months: *Provided further,* That those portions of the fees for the costs incurred in administering incremental units assisted in the certificate and housing voucher programs under sections 8(b) and 8(o), respectively, shall be established or increased in accordance with the authorization for such fees in section 8(q) of the Act: *Provided further,* That of the $7,538,765,000 provided herein, $355,509,000 shall be used to assist handicapped families in accordance with section 202(h)(2), (3) and (4) of the Housing Act of 1959, as amended (12 U.S.C. 1701q), and $20,000,000 shall be for assistance under the Nehemiah housing opportunity program pursuant to section 612 of the Housing and Community Development Act of 1987 (Public Law 100-242) and the immediately aforementioned $20,000,000 shall not become available for obligation until July 1, 1989, and pursuant to section 202(b) of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, this action is a necessary (but secondary) result of a significant policy change: *Provided further,* That amounts equal to all amounts of budget authority (and contract authority) reserved or obligated for the development or acquisition cost of public housing (excluding public housing for Indian families), for modernization of existing public housing projects (excluding such projects for Indian families), and for programs under section 8 of the Act (42 U.S.C. 143f), which are recaptured during fiscal year 1989, shall be rescinded: *Provided further,* That notwithstanding the 20 percent limitation under section 5(j)(2) of the Act, any part of the new budget authority for the development or acquisition costs of public housing other than for Indian families may, in the discretion of the Secretary, based on applications submitted by public housing authorities, be used for new construction or major reconstruction of obsolete public housing projects other than for Indian families: *Provided further,* That amounts equal to recaptured amounts for housing development grants shall be made available during 1989 on the terms specified in the sixth proviso under this head in the Department of Housing and Urban Development appropriation for 1987 (section 101(g) of Public Laws 99-500 and 99-591, 100 Stat. 1783, 1783-242, and 3341, 3341-242).

Mr. GREEN (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. BOLAND] is recognized for 30 minutes.

Mr. BOLAND. Mr. Speaker, I yield to the distinguished gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Speaker, I applaud the work of the conferees in their support of the Nehemiah Program. This program, which promotes homeownership for low-income people will give crumbling neighborhoods a facelift. It will also help cities such as Portland, OR, reverse neighborhood deterioation, decrease crime and provide more first-time homeownership opportunities for those people who have been left out of the American dream.

The House committee correctly suggested that certain factors need to be present for the National Nehemiah Grant Program to be successful. Among those include a critical mass of 2,500 housing units, median incomes of approximately $23,000-$25,000, multisector cooperation and the participation of nonprofit organizations. The committee also suggested that potential candidates include Baltimore, Cleveland, Boston, New York City, San Antonio, Portland, OR, Los Angeles (Watts), and Prince Georges County, MD.

Mr. Speaker, am I correct in saying that the language of the House report will serve to guide the agency when making their decisions on the grant awards?

Mr. BOLAND. Yes, that is true. The conferees want the program to achieve the highest possible success and the guidance provided by the House report will help that success.

Mr. AUCOIN. Mr. Speaker, would it be the conferees intention that a representative sample of cities in terms of population, geographic diversity, and use of existing housing stock as well as new construction, be chosen by the agency for the grant program?

Mr. BOLAND. Yes, I agree we should give that guidance to the agency. They should develop a program which not only achieves success in large urban areas, but also develops a track record in smaller cities who will rely primarily upon housing stock in need of rehabilitation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the amendments of the Senate numbered, 3, 6, 13, 23, 73, 76, and 81 be considered en bloc and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The texts of the various Senate amendments referred to are as follows:

Senate amendment No. 3: Page 6, line 7, strike out all after "handicapped" down to and including "(4)" in line 14, and insert ": *Provided further,* That 25 percent of the direct loan authority provided herein shall be used only for the purpose of providing loans for projects for the handicapped, with the mentally ill homeless handicapped receiving priority".

Senate amendment No. 6: Page 8, line 10, strike out all after "charges" down to and including "1990" in line 12 and insert "as of September 30, 1988, and any collections and other amounts in the fund authorized under section 201(j) of the Housing and Community Development Amendments of 1978, as amended, during fiscal year 1989, to remain available until expended".

Senate amendment No. 13: Page 11, line 17, after "note" insert ": *Provided further*, That $2,000,000 shall be made available from the foregoing $3,000,000,000 to carry out a neighborhood development demonstration under section 123 of the Housing and Urban-Rural Recovery Act of 1983 (Public Law 98-181)".

Senate amendment No. 23: Page 15, after line 4, insert:

Section 119(d)(5) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following:

"(C) Notwithstanding any other provision of this section, in each competition for grants under this section, no city or urban county may be awarded a grant or grants in an amount in excess of $10,000,000 until all cities and urban counties which submitted fundable applications have been awarded a grant. If funds are available for additional grants after each city and urban county submitting a fundable application is awarded one or more grants under the preceding sentence, then additional grants shall be made so that each city or urban county that has submitted multiple applications is awarded one additional grant in order of ranking, with no single city or urban county receiving more than one grant approval in any subsequent series of grant determinations within the same competition.

"(D) All grants under this section, including grants to cities and urban counties described in subsection (b)(2), shall be awarded in accordance with subparagraph (C) so that all grants under this section are made in order of ranking.".

Senate amendment No. 73: Page 38, line 9, after "services," insert "maintenance or guarantee period services costs associated with equipment guarantees provided under the project,

Senate amendment No. 76: Page 40, line 7, after "services," insert "maintenance or guarantee period services costs associated with equipment guarantees provided under the project,".

Senate amendment No. 81: Page 52, after line 23, insert:

SEC. 415. Such sums as may be necessary for fiscal year 1989 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendments of the Senate numbered 3, 6, 13, 23, 73, 76, and 81, and concur therein.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 17: Page 14, line 9, strike out "$17,000,000" and insert "$17,200,000".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 17 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$17,200,000, of which not less than $1,200,000 shall be available for lead-based paint studies, with all funds".

Mr. GREEN (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 18: Page 14, strike out lines 12 to 17 and insert:

FAIR HOUSING ASSISTANCE

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended, $5,000,000, to remain available until September 30, 1990.

FAIR HOUSING INITIATIVES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by section 561 of the Housing and Community Development Act of 1987, $5,000,000, to remain available until September 30, 1990.

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 18 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended, and section 561 of the Housing and Community Development Act of 1987, $10,000,000, to remain available until September 30, 1990: *Provided*, That not less than $5,000,000 shall be available to carry out activities pursuant to section 561 of the Housing and Community Development Act of 1987.

Mr. GREEN (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 24: Page 15, after line 4, insert:

None of the funds provided in this Act for the Department of Housing and Urban Development may be used to implement or enforce regulations promulgated by the Department of June 6, 1988, with respect to the testing and abatement of lead-based paint in public housing until the Secretary certifies to the Congress that such regulations will provide for the reduction in exposure to lead in public housing in a cost-effective manner and that this program will be conducted with adequate standards and oversight to assure that abatement efforts will not result in greater exposure to lead for public housing residents.

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

None of the funds provided in this Act or heretofore provided may be used to implement or enforce the regulations promulgated by the Department of Housing and Urban Development on June 6, 1988, with respect to the testing and abatement of lead-based paint in public housing until the Secretary develops comprehensive technical guidelines on reliable testing protocols, safe and effective abatement techniques, cleanup methods, and acceptable post-abatement lead dust levels.

Mr. GREEN (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendemnt No. 30: Page 18, line 13, strike out "$199,382,000" and insert "$197,000,000".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of

the Senate numbered 30 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$202,500,000".

Mr. GREEN (during the reading). Mr. Speaker, I ask unaimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 51. Page 22, line 25, strike out "$200,000,000" and insert "$125,000,000".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 51 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$100,000,000".

Mr. GREEN (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 56: Page 26, line 12, strike out all after "1990" over to and including "program" in line 12 on page 27.

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 56 and concur therein with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: ", of which $900,000,000 is for the space station program only: *Provided*, That $515,000,000 of the $900,000,000 for the space station program shall not become available for obligation until May 15, 1989, and pursuant to section 202(b) of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, this action is a necessary (but secondary) result of a significant policy change: *Provided further*, That the aforementioned $515,000,000 shall become available unless the President submits a special message after February 1, 1989, notifying the Congress that such funds will not be made available for the space station program".

Mr. GREEN (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York.

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 57: Page 28, line 3, strike out "$4,414,200,000" and insert "$4,452,200,000".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 57 and concur therein with an amendment, as follows; In lieu of the sum proposed by said amendment, insert the following: "$4,364,200,000: *Provided*, That, notwithstanding any provision of this or any other Act, not to exceed $100,000,000 may be transferred to the National Aeronautics and Space Administration in fiscal year 1989 from any funds appropriated to the Department of Defense and such funds may only be transferred to the "Space flight, control and data communications" appropriation for space shuttle operations: *Provided further*, That the transfer limitation in the immediately preceding proviso shall not apply to funds transferred for advanced launch systems or under existing reimbursement arrangements: *Provided further*, That the funds appropriated under this heading are, together with funds permitted to be transferred hereunder".

Mr. GREEN (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate Amendment No. 58: Page 29, line 11, after "activities" insert "; *Provided further*, That should a contract award be made for the development and production of the advanced solid rocket motor which provides for non-Federal ownership of a production facility, up to $27,000,000 of the funds provided herein may be transferred and merged with sums appropriated for "Space Flight, control and data communications".

"SCIENCE, SPACE, AND TECHNOLOGY EDUCATION TRUST FUNDS

"There is appropriated, by transfer from funds appropriated in this Act for "Construction of facilities", the sum of $15,000,000 to the "Science, Space, and Technology Education Trust Fund" which is hereby established in the Treasury of the United States: *Provided*, That the Secretary shall invest such funds in the United States Treasury special issue securities, that such interest shall be credited to the Trust Fund on a quarterly basis, and that such interest shall be available for the purpose of making grants for programs directed at improving science, space, and technology education in the United States: *Provided further*, That the Administrator of the National Aeronautics and Space Administration, after consultation with the Director of the National Science Foundation, shall review applications made for such grants and determine the distribution of such available funds on a competitive basis: *Provided further*, That such grants shall be made available to any awardee only to the extent that said awardee provides matching funds from non-Federal sources to carry out the program for which grants from this Trust Fund are made: *Provided further*, That of the funds made available by this Trust Fund, $250,000 shall be disbursed each calendar quarter for a ten-year period to the Challenger Center for Space Science Education: *Provided further*, That the Administrator of the National Aeronautics and Space Administration shall submit to the Congress an annual report on the grants made pursuant to this paragraph".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 58 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: ": *Provided further*, That in addition to sums otherwise provided by this paragraph, an additional $20,000,000, to remain available until expended: *Provided further*, That up to $30,000,000 of the funds provided by this paragraph may be transferred to and merged with sums appropriated for "Research and development" and/or "Research and program management".

"SCIENCE, SPACE, AND TECHNOLOGY EDUCATION TRUST FUND

"There is appropriated, by transfer from funds appropriated in this Act for "Construction of facilities", the sum of $15,000,000 to the "Science, Space, and Technology Education Trust Fund" which is hereby established in the Treasury of the United States' *Provided*, That the Secretary shall invest such funds in the United States Treasury special issue securities, that such interest shall be credited to the Trust Fund on a quarterly basis, and that such interest shall be available for the purpose of making grants for programs directed at improving science, space, and technology education in the United States: *Provided further*, That the Administrator of the National Aeronautics and Space Administration, after consultation with the Director of the National Science Foundation, shall review applications made for such grants and determine the distribution of such available funds on a competitive basis: *Provided further*, That such

grants shall be made available to any awardee only to the extent that said awardee provides matching funds from non-Federal sources to carry out the program for which grants from this Trust Fund are made: *Provided further,* That of the funds made available by this Trust Fund, $250,000 shall be disbursed each calendar quarter for a ten-year period to the Challenger Center for Space Science Education: *Provided further,* That the Administrator of the National Aeronautics and Space Administration shall submit to the Congress an annual report on the grants made pursuant to this paragraph".

Mr. GREEN (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 62: Page 31, line 25, after "law" insert ": *Provided further,* That none of the funds appropriated in this Act may be used to pay any individual through a grant or grants at a rate in excess of $100,000 a year".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 62 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: ": *Provided further,* That notwithstanding the preceding proviso, none of the funds appropriated in this Act may be used to pay the salary of any individual functioning as a federal employee, or any other individual, through a grant or grants at a rate in excess of $95,000 per year".

Mr. GREEN (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 64: Page 33, line 9, strike out all after "agencies" down to and including "DUKE" in line 16.

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 64 and concur therein with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: ": *Provided further,* That no funds in this Act shall be used to acquire or lease a research vessel with ice-breaking capability built by a shipyard located in a foreign country if such a vessel of U.S. origin can be obtained at a cost no more than 50 percentum above that of the least expensive technically acceptable foreign vessel bid: *Provided further,* That, in determining the cost of such a vessel, such cost be increased by the amount of any subsidies or financing provided by a foreign government (or instrumentality thereof) to such vessel's construction: *Provided further,* That a new competitive solicitation for such vessel shall be conducted: *Provided further,* That if the vessel contracted for pursuant to the foregoing is not available for the 1989-1990 austral summer Antarctic season, a vessel of any origin may be leased for a period of not to exceed 120 days for that season and each season thereafter until delivery of the new vessel: *Provided further,* That the preceding four provisos shall not apply to appropriated funds used for the lease of the vessel POLAR DUKE".

Mr. GREEN (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York.

There is no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 70: Page 36, line 24, strike out all after "veterans" over to and including "support" in line 2 on page 37.

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 70 and concur therein with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: ": *Provided further,* That, during fiscal year 1989, jurisdictional average employment shall not exceed 38,000 for administrative support: *Provided further,* That, notwithstanding any other provision in this Act, a supplemental budget request may be transmitted to maintain the personnel level mandated by this Act".

Mr. GREEN (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the final amendment in disagreement.

The text of Senate amendment No. 75 is as follows:

Senate amendment No. 75: Page 40, line 2, after "projects" insert : *Provided further,* That all funds provided under this heading in the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1988 (H.R. 2783) as enacted under the provisions of section 101(f) of Public Law 100-202, for each project approved in the fiscal year 1988 budgetary process shall be available for these projects for the purposes and for at least the amounts specified in the Committees' reports; funds in excess of the needs of each project may be returned to the working reserve only after the awarding of a contract to carry out the purpose for which the funds were appropriated".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 75 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: ": *Provided further,* That the Veterans' Administration shall, from funds previously appropriated for the replacement and modernization of the hospital at Allen Park, Michigan, immediately proceed with the planning, site acquisition, site preparation, and design of a new hospital in downtown Detroit, Michigan, which contains not less than 503 hospital beds".

Mr. GREEN (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

## PERSONAL EXPLANATION

Mr. DORGAN of North Dakota. Mr. Speaker, on rollcall 266, the vote on the Miscellaneous Revenue Act, I was present and voting but the record inexplicably shows me as not having voted. It is possible that when I used my voting card it may not have properly recorded the vote that I cast.

I want the record to show that I was present for the vote on the rule previous to the consideration of the bill and that I participated in the debate on the bill and that my vote, had it been registered properly, was a yes vote on the bill.

I ask unanimous consent that this statement appear immediately after the vote on final passage of H.R. 4333 in the permanent RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

## MOTION TO DISCHARGE COMMITTEE ON ARMED SERVICES FROM FURTHER CONSIDERATION OF H.R. 4264, NATIONAL DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1989

Mr. WALKER. Mr. Speaker, I have a highly privileged motion which I send to the desk.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. WALKER moves that the Armed Services Committee be discharged from further consideration of H.R. 4264.

Mr. VOLKMER. Mr. Speaker, I move to lay the motion to discharge on the table.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri [Mr. VOLKMER] to lay on the table the motion offered by the gentleman from Pennsylvania [Mr. WALKER].

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present.

The Sergeant At Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 241, nays 158, not voting 31, as follows:

[Roll No. 269]

YEAS—241

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|---|---|---|
| Ackerman | Borski | Cooper |
| Akaka | Bosco | Coyne |
| Alexander | Boucher | Crockett |
| Anderson | Boxer | Darden |
| Andrews | Brennan | de la Garza |
| Annunzio | Brooks | DeFazio |
| Anthony | Bruce | Dellums |
| Applegate | Bryant | Derrick |
| Aspin | Bustamante | Dicks |
| Atkins | Byron | Dingell |
| AuCoin | Campbell | Dixon |
| Barnard | Cardin | Donnelly |
| Bates | Carper | Dorgan (ND) |
| Beilenson | Carr | Downey |
| Bennett | Chapman | Durbin |
| Berman | Chappell | Dwyer |
| Bevill | Clarke | Dymally |
| Bilbray | Clement | Dyson |
| Boggs | Coelho | Early |
| Boland | Coleman (TX) | Eckart |
| Bonior | Collins | Edwards (CA) |
| Bonker | Conyers | English |
| Erdreich | Lehman (CA) | Roe |
| Espy | Lehman (FL) | Rose |
| Evans | Leland | Rostenkowski |
| Fascell | Levin (MI) | Roybal |
| Fazio | Levine (CA) | Russo |
| Feighan | Lipinski | Sabo |
| Flake | Lloyd | Savage |
| Flippo | Lowry (WA) | Sawyer |
| Florio | Luken, Thomas | Scheuer |
| Foglietta | Manton | Schroeder |
| Foley | Markey | Schumer |
| Ford (MI) | Martinez | Sikorski |
| Ford (TN) | Matsui | Sisisky |
| Frank | Mavroules | Skaggs |
| Frost | Mazzoli | Skelton |
| Garcia | McCloskey | Slattery |
| Gaydos | McCurdy | Slaughter (NY) |
| Gejdenson | McHugh | Smith (FL) |
| Gephardt | McMillen (MD) | Smith (IA) |
| Gibbons | Mfume | Solarz |
| Glickman | Miller (CA) | Spratt |
| Gonzalez | Mineta | St Germain |
| Gordon | Moakley | Staggers |
| Grant | Mollohan | Stallings |
| Gray (IL) | Montgomery | Stark |
| Gray (PA) | Moody | Stenholm |
| Guarini | Morrison (CT) | Stokes |
| Hall (OH) | Mrazek | Stratton |
| Hall (TX) | Murphy | Studds |
| Hamilton | Murtha | Swift |
| Harris | Nagle | Synar |
| Hawkins | Natcher | Tallon |
| Hayes (IL) | Neal | Tauzin |
| Hayes (LA) | Nelson | Thomas (GA) |
| Hefner | Nichols | Torres |
| Hertel | Nowak | Torricelli |
| Hochbrueckner | Oakar | Towns |
| Hoyer | Oberstar | Traficant |
| Hubbard | Obey | Traxler |
| Huckaby | Olin | Udall |
| Hughes | Ortiz | Valentine |
| Hutto | Owens (NY) | Vento |
| Jacobs | Owens (UT) | Visclosky |
| Jenkins | Panetta | Volkmer |
| Johnson (SD) | Patterson | Walgren |
| Jones (NC) | Payne | Watkins |
| Jones (TN) | Pease | Waxman |
| Jontz | Pelosi | Weiss |
| Kanjorski | Penny | Wheat |
| Kaptur | Pepper | Whitten |
| Kastenmeier | Perkins | Williams |
| Kennelly | Pickett | Wilson |
| Kildee | Pickle | Wise |
| Kleczka | Price | Wolpe |
| Kolter | Rahall | Wyden |
| Kostmayer | Ray | Yates |
| LaFalce | Richardson | Yatron |
| Lancaster | Robinson | |
| Lantos | Rodino | |

NAYS—158

| | | |
|---|---|---|
| Archer | DeWine | Jeffords |
| Armey | Dickinson | Kasich |
| Baker | DioGuardi | Kolbe |
| Ballenger | Dreier | Konnyu |
| Bartlett | Edwards (OK) | Kyl |
| Barton | Emerson | Lagomarsino |
| Bateman | Fawell | Latta |
| Bentley | Fields | Leach (IA) |
| Bereuter | Fish | Lent |
| Bilirakis | Frenzel | Lightfoot |
| Bliley | Gallegly | Lott |
| Boehlert | Gallo | Lowery (CA) |
| Broomfield | Gekas | Lujan |
| Brown (CO) | Gilman | Lukens, Donald |
| Buechner | Gingrich | Lungren |
| Bunning | Goodling | Madigan |
| Burton | Gradison | Marlenee |
| Callahan | Grandy | Martin (NY) |
| Chandler | Green | McCandless |
| Cheney | Gregg | McCrery |
| Clinger | Gunderson | McDade |
| Coats | Hammerschmidt | McEwen |
| Coble | Hansen | McMillan (NC) |
| Coleman (MO) | Hastert | Meyers |
| Combest | Henry | Michel |
| Conte | Herger | Miller (OH) |
| Courter | Hiler | Miller (WA) |
| Craig | Holloway | Moorhead |
| Crane | Hopkins | Morella |
| Dannemeyer | Houghton | Morrison (WA) |
| Daub | Hunter | Myers |
| Davis (IL) | Hyde | Nielson |
| Davis (MI) | Inhofe | Oxley |
| DeLay | Ireland | Packard |
| Parris | Schneider | Stangeland |
| Pashayan | Schuette | Stump |
| Petri | Schulze | Sundquist |
| Porter | Sensenbrenner | Sweeney |
| Pursell | Shaw | Swindall |
| Quillen | Shays | Tauke |
| Ravenel | Shumway | Thomas (CA) |
| Regula | Skeen | Upton |
| Rhodes | Slaughter (VA) | Vander Jagt |
| Ridge | Smith (NE) | Vucanovich |
| Rinaldo | Smith (NJ) | Walker |
| Ritter | Smith (TX) | Weber |
| Roberts | Smith, Denny (OR) | Weldon |
| Rogers | Smith, Robert (NH) | Whittaker |
| Roth | Smith, Robert (OR) | Wolf |
| Roukema | Snowe | Wortley |
| Rowland (CT) | Solomon | Wylie |
| Saiki | | Young (AK) |
| Saxton | | Young (FL) |
| Schaefer | | |

NOT VOTING—31

| | | |
|---|---|---|
| Badham | Kemp | McGrath |
| Boulter | Kennedy | Mica |
| Brown (CA) | Leath (TX) | Molinari |
| Clay | Lewis (CA) | Rangel |
| Coughlin | Lewis (FL) | Rowland (GA) |
| Dornan (CA) | Lewis (GA) | Sharp |
| Dowdy | Livingston | Shuster |
| Hatcher | Mack | Spence |
| Hefley | MacKay | Taylor |
| Horton | Martin (IL) | |
| Johnson (CT) | McCollum | |

□ 1717

The Clerk announced the following pairs:

On this vote:

Mr. Brown of California for, with Mr. Dornan of California against.

Mr. Rowland of Georgia for, with Mr. Boulter against.

Mr. Lewis of Georgia for, with Mrs. Martin of Illinois against.

Mr. DONALD E. "BUZ" LUKENS changed his vote from "yea" to "nay."

Mr. MATSUI changed his vote from "nay" to "yea."

So the motion to lay the motion on the table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## PERMISSION FOR SUBCOMMITTEE ON ECONOMIC DEVELOPMENT OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TOMORROW DURING THE 5-MINUTE RULE

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Development of the Committee on Public Works and Transportation be permitted to sit tomorrow while the House is under the 5-minute rule.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Illinois?

Mr. WALKER. Reserving the right to object, Mr. Speaker, has this been checked with the minority?

Mr. SAVAGE. Mr. Speaker, if the gentleman will yield, that is my understanding, I say to my colleague.

Mr. STANGELAND. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Minnesota.

Mr. STANGELAND. Mr. Speaker, it has been cleared. The minority approves of the gentleman's request.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

## CONFERENCE REPORT ON H.R. 5015, DISASTER ASSISTANCE ACT OF 1988

Mr. DE LA GARZA. Mr. Speaker, pursuant to the order of the House of yesterday, August 8, 1988, I call up the conference report on the bill (H.R. 5015) to provide drought assistance to agricultural producers, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House of Monday, August 8, 1988, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Monday, August 8, 1988, at page H6455.)

The SPEAKER pro tempore. The gentleman from Texas [Mr. DE LA GARZA] will be recognized for 30 minutes and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA].

### GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the bill, H.R. 5015, now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DE LA GARZA. I yield myself such time as I may consume.

Mr. Speaker, I rise today to urge my colleagues to support the conference report to accompany H.R. 5015, the Disaster Assistance Act of 1988.

H.R. 5015 will provide needed relief to farmers, ranchers, rural businesses, and farmworkers in drought stricken areas throughout America. At the same time, this bill sends a message to American consumers that they can be assured of a continued supply of food at reasonable prices.

The conference committee on the Drought Assistance Act of 1988 met for 2 days last week and ironed out remaining differences on a 1988 disaster relief program for American agriculture. Among the major provisions resolved were:

Extension of disaster assistance to those who suffered losses due to drought, hail, excessive moisture, and related conditions in 1988;

Limiting feed assistance to livestock producers who suffered a loss in their own feed production;

Providing for a limited 3 month price support increase for dairy producers;

Requiring those who accept disaster payments or other benefits due to the 1988 drought to sign up for crop insurance in 1989 if their losses exceeded 65 percent; and

Assisting migrant and seasonal workers in regard to food stamps and job training support.

Mr. Speaker, this legislation provides for a comprehensive, cost-effective, commonsense program of relief for agricultural producers.

The program benefits are based upon production losses, with added payments provided to those who suffered catastrophic losses this year. No individual will receive more than $100,000 in payments under this disaster program. In addition, no person with more than $2 million in gross revenues for crops of $2.5 million for livestock will qualify for relief. Finally, H.R. 5015 ensures that no individual will reap financial gains from disaster benefits and crop insurance payments that exceed what he or she would have received in a normal crop year with normal yields.

Mr. Speaker, H.R. 5015 is a lean relief program intended to aid those who need it most. USDA estimates the cost of the programs authorized by H.R. 5015 at $3.9 billion, well below the allowance provided in the budget for farm program spending.

Having trimmed away some of the potentially more costly provisions of the bill in conference, I believe that we have crafted a bill that our colleagues and the President can support. I understand that the President is disposed to signing this bill into law when he receives it.

Mr. Speaker, H.R. 5015 was prepared with record speed by my colleagues on the House Agriculture Committee and those in the Senate. We began just 8 weeks ago, when the extent of the drought was becoming apparent, by putting together a bipartisan, bicameral drought task force. That task force crafted a "core" bill that was introduced in the House and the Senate and that served as the basic framework for the legislation before us today. This process and the legislation that resulted should send a clear message to farmers and ranchers, to rural residents, and to all Americans. Where the need exists, the Congress can and will act with speed and efficiency to help those in need. I congratulate my colleagues on the House Agriculture Committee, Senator LEAHY and the members of the Senate Agriculture Committee, and the leadership of the House and Senate, for their assistance in expediting this important legislation.

In addition, I want to express my sincere appreciation for the able assistance of the leadership of the Committee on Education and Labor for help in resolving certain differences in the bill with the Senate. I wish to especially thank my colleague, the Honorable MATTHEW MARTINEZ, for his support for migrant and seasonal workers. I concur in the concerns expressed to me by the gentleman from California for the need for more assistance to farm laborers affected by the drought and am pleased to note that the Department of Labor has decided to make funds, in addition to those provided by H.R. 5015, available immediately.

Before closing, Mr. Speaker, there is one item from the House report on H.R. 5015 that needs clarification. On page 121 of House Report 100-800, there is a typographical error that I would like to correct for the record. Under the Federal Crop Insurance Program segment of the report, a one sentence paragraph was mistakenly printed that should not have appeared in the text of the report. Instead, that segment of the report should read as follows:

### FEDERAL CROP INSURANCE PROGRAM

The Committee applauds the Federal Crop Insurance Corporation (FCIC) for attempting to make its program more actuarially sound by requiring farmers to prove their actual yield rather than receiving insurance coverage based on some arbitrarily assigned yield. However, the Committee also recognizes that the program cannot hope to approach actuarial soundness without higher levels of participation in the major crops. Therefore, the Committee feels that FCIC should take steps to adjust yields to more realistic levels.

The Committee suggests that the FCIC attribute a yield for insurance coverage purposes of not less than 75 percent of the Agricultural Stabilization and Conservation Service county yield to a farm for those years in which records were not produced and those years when a farm suffers a reduced yield because of a natural disaster. The Committee also suggests that, for new and beginning farmers without a long-time production history, additional steps be taken to attribute a more realistic and equitable yield to these farmers. The Committee expects these changes to be made for the 1989 crop year and will expect a report from the FCIC on how it will adjust such yields within sixty days after enactment of the bill, such report to be made to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry.

This matter was discussed among the House conferees and I note at this time that it is the intent of the House conferees that the steps described in the House report, as corrected, be taken.

Mr. Speaker, I am proud to bring H.R. 5015, the Disaster Assistance Act of 1988, before our colleagues today and move its immediate adoption.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. MADIGAN. Mr. Speaker, I rise to support the conference report to H.R. 5015, the Disaster Assistance Act of 1988. This legislation is the product of a temendous amount of concentrated work to provide relief for drought stricken farmers. In little more than a month, this bill was written, taken through the committee process, passed on the floor and conferenced. Both Congress and the White House approached this legislation in a bipartisan spirit and with a sense of urgency. The result is a conference report that assures farmers that help is on the way and does it in a budget responsible manner.

The reason for a sense of urgency is clear. Drought related crop damage is spread across 40 States. The Department of Agriculture has recently estimated that the economic losses for farmers will exceed $10 billion. In my own State of Illinois, conditions are already worse than the recordbreaking drought years of the 1930's.

Despite the huge crops losses that our farmers are facing, there will be no food shortages in the United States as a result of this disaster. There will be sufficient food available to meet our domestic requirements and even our foreign commitments without causing large increases in consumer prices. Drought stricken farmers, however, will be in desperate straits without the assistance in H.R. 5015.

Recognizing that the dimensions of this disaster are so great that we could not hope to offset all farm financial losses, the conferees have crafted legislation that will insure enough help to keep drought stricken farmers in business until next year. At a time when many farmers are just recovering from the economic hardships of the early 1980's, losses of the magnitude being created by the drought would quite simply drive tens of thousands of farm families into bankruptcy.

To help prevent those bankruptcies, H.R. 5015 provides a graduated scale of assistance that, for the hardest hit farmers, would at least help them pay the bills associated with their failed crops, leaving them able to start again next year. For livestock producers, the legislation makes it easier for some producers to gain access to present assistance programs and brings all existing programs under one authority. This direct financial help, combined with additional credit assistance, represents a package of aid that will spell the difference between survival and liquidation for many in the Farm Belt.

To pay for this limited disaster relief, H.R. 5015 draws upon the reductions in farm program spending that the drought created. The economic effect of the drought has reduced expected Federal outlays for crop deficiency payments by several billion dollars. The legislation uses those savings to offset the cost of disaster assistance. In that way the bill remains budget neutral and will not trigger a Gramm-Rudman budget sequester.

We have before us today disaster assistance legislation that is bipartisan and budget responsible. It has the support of the administration and the major farm and commodity organizations. Most importantly, H.R. 5015 is vital to the economic survival of tens of thousands of farm families and the small towns that depend upon farm income for their livelihood.

I urge you to vote for the conference report to H.R. 5015.

Mr. DE LA GARZA. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Tennessee [Mr. JONES].

Mr. JONES of Tennessee. Mr. Speaker, I rise in support of the conference report on H.R. 5015.

The Congress has acted responsibly in the Disaster Assistance Act, both in terms of holding down Federal budget outlays and in terms of seeking fair treatment among different sectors of our Nation's agricultural industry. This bill recognizes the many important geographic and commodity differences in American agriculture, and strikes a good balance among them.

Personally, I wish the conferees had been bolder in requiring disaster relief recipients to purchase crop insurance in future years so that emergency legislation such as this would not be so necessary the next time Mother Nature strikes.

However, the conference report does recognize the benefits of crop insurance, and I hope America's Farm Belt has learned a lesson from this experience.

The fact that a bill of this significance will no doubt be enacted by an overwhelming majority is a testament to the hard work and dedication of the House and Senate Agriculture Committees and their staffs. I especially want to commend Chairman DE LA GARZA and Representative ED MADIGAN for the enormous amount of personal effort they devoted to this response to an urgent crisis in rural America. They deserve every Member's gratitude and respect for a job well done.

Mr. DE LA GARZA. Mr. Speaker, having asked and received permission for unanimous consent for all Members to revise and extend their remarks on this conference report, I hope that my colleagues will again accordingly all facilitate the passage of this legislation.

Mr. MADIGAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. STANGELAND].

Mr. STANGELAND. Mr. Speaker, I rise in strong support for the conference report to accompany H.R. 5015, the Disaster Assistance Act of 1988.

I wish to commend Chairman DE LA GARZA and the ranking Republican, Mr. MADIGAN for their leadership.

Our Nation's farmers have been severely hurt by the drought which began this spring and relentlessly continued into the summer months. My district has been especially hard hit. In fact, I have traveled throughout my entire district to visit with farmers and to walk their dry, parched land with them. The devastation I have seen is unbelievable. This drought is the worse that many of these farmers have ever experienced. In fact, some of them tell me that their losses will be about 60 to 75 percent and some, unfortunately, have been entirely wiped out.

This is why we need to pass this conference report today. This legislation is within the budget, and the administration has said that, if passed, it will be signed. Therefore, we need to keep it on the fast track and quickly pass this disaster assistance package. It was created in a bicameral and bipartisan environment and written in the spirit of compromise.

The bill includes many programs targeted toward helping our Nation's farmers who have fallen upon hard times. It is not a perfect bill and far from being a bailout. However, it offers some hope in the form of assistance—Congress cannot legislate rain and this is what was truly needed during the last few weeks. As a member of the conference committee I was disappointed that there was not enough support in the committee for giving assistance to those producers who do not produce their own feed. This is one of the weaknesses in this bill and my colleagues are all familiar with my views on this issue.

However, since the main focus of the bill was on helping those whose crops have been devastated by the drought, it is important that this report be given the approval of the Members of the House today.

There is true need out there, in our rural areas. What producers in these areas need—is help. Help can come to them through this legislation, and I urge my colleagues to support it today.

Mr. MADIGAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Speaker, I rise today in strong support of the conference report on H.R. 5015, the Drought Assistance Act of 1988. Since the effects of the drought became evident across the Nation, the U.S. Department of Agriculture and now Congress have moved expeditiously to fashion a relief bill for our drought-stricken agricultural producers.

As a member of the House-Senate conference committee which worked out the details of this agreement, I believe the final package represents a grand slam for producers in Wisconsin.

First, the Drought Assistance Act broadens our existing livestock feed assistance programs. Within 15 days of the bill's enactment, a new feed assistance program would be established. This program will maintain the sale of Commodity Credit Corporation-owned feed

at 75 percent of the county loan rate—current Emergency Feed Assistance Program—as well as the reimbursement of up to 50 percent of the cost of commercial feed purchased by a producer for the duration of the livestock emergency—current Emergency Feed Program.

In addition, the new program authorizes other forms of livestock assistance. There will be a 50-percent reimbursement for producer's hay and forage transportation costs from a point of origin beyond a producer's normal trade area to the livestock. There would also be assistance of up to a 50-percent reimbursement for the cost of transporting livestock to and from available grazing locations. These forms of assistance are subject to certain limitations. Finally, feed donations by the Commodity Credit Corporation are authorized for producers who are financially unable to purchase feed from the CCC.

As with existing livestock feed assistance programs, these assistance plans are only open to those producers who grow their own feed. Eligible livestock includes cattle, sheep, goats, swine, poultry—including egg producers—horses, and mules—used for food or food production—fish for food, and other animals designated by USDA, that are part of a foundation herd or offspring or are purchased as a part of normal operations.

An additional $2 billion would have been necessary if these programs were to be opened to nonproducers of feed. This could have kicked us into a Gramm-Rudman sequestration order, which would have been extremely detrimental to all of agriculture.

Second, as Wisconsin is the leading State in the Nation in dairy production, it is critical that this bill include adequate economic relief to our dairy producers. I believe this bill meets that test. In addition to cancelling the scheduled 50-cent dairy support price cut on January 1, 1989, the conference agreement actually increases the support price 50 cents from April 1, 1989, through June 30, 1989.

This latter dairy provision, which I offered as an amendment to the House bill just 12 days ago, is especially important to Wisconsin's dairy producers. This 3-month increase is designed to provide economic assistance during the time when milk prices traditionally are the lowest and feed prices will still be high and supplies tight. It is estimated that this short term increase in the support price is worth $21 million to Wisconsin's dairy producers.

Third, this conference agreement includes a provision to waive for 1 year the requirement that a producer be enrolled in Federal crop insurance in order to be eligible for the Farmers Home Administration [FmHA] emergency disaster loans. As Wisconsin already has been declared a disaster area by the Secretary of Agriculture, our producers would be eligible for these low interest loans. However, Wisconsin producers have an extremely low participation in Federal crop insurance and, thus, would be ineligible under current law for the emergency loans. Mr. Speaker, we need to move quickly on this conference agreement so that many more Wisconsin producers can now be made eligible for this important emergency credit program.

The fourth item in the grand slam also pertains to crop insurance. Included in the House-passed bill was a provision, which I strongly opposed, to require any producer who elects to receive a disaster payment or forgiveness of an advanced deficiency payment to enroll in Federal crop insurance for 2 years. Fortunately, the conferees made some major modifications to this crop insurance mandate:

First, crop insurance must be purchased for 1 year instead of 2 years;

Second, only those producers who suffered greater than a 65-percent crop loss would be affected; and

Third, local agricultural stabilization and conservation county committees can waive this requirement if it would cause undue financial hardship to the producer.

With these changes in place the crop insurance requirement provision has been made much more acceptable to Wisconsin.

Now that I have outlined the Wisconsin grand slam, I would like to take this opportunity to outline some of the other major provisions of the bill.

Extent of disaster coverage: Provides disaster benefits for those producers who suffered losses in 1988 due to drought, hail, excessive moisture, or related conditions.

Emergency Forage Program: For established pasture damaged by drought, USDA would pay half the cost of seeding and fertilizing of certain forage crops on that land to facilitate late fall 1988 or early 1989 grazing and haying.

Disaster payments: Provides disaster payments to producers of annual commercial crops who lose 35 percent of the 1988 crop due to the drought. Wheat, feed grain, cotton and rice program participants would be compensated at a rate of 65 percent of the 1988 target price. Nonparticipants who raise program crops would be compensated at 65 percent of the county loan rate. Payments to soybean and other nonprogram crops would be made at a rate of 65 percent of the average producer market price of the last 5 years.

Payment limitations: For livestock producers, Federal feed assistance could not exceed $50,000 in benefits. Livestock producers with gross revenues of over $2.5 million annually are prohibited from receiving benefits. Combined benefits to each person—including livestock assistance—could not exceed $100,000.

Advanced deficiency payments: Producers will not be required to repay advance deficiency payments on any unit of production that failed or was prevented from planting due to disaster, unless that unit of production received a disaster payment.

Forestry assistance: Directs USDA to provide assistance in the form of 65 percent of the costs of replanting for losses to tree seedlings that produce an annual crop or are grown for commercial harvest.

Rural business: Directs USDA to establish a new program to guarantee loans to rural businesses and organizations to assist them in dealing with drought-caused losses.

Mr. Speaker, the conference agreement before us today is a reasonable approach to assisting our Nation's agricultural producers in this the worst drought in 50 years. I urge its adoption in the House today, so that we can begin to assist those agricultural producers who are in dire need.

Mr. MADIGAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. Mr. Speaker, I rise in support of this conference report.

The Agriculture Committee leadership and our committee staff have worked tirelessly to bring us a fair bill that will provide some relief to our farmers while respecting the budget constraints we face. The President and Secretary Lyng have been extremely helpful throughout the entire process.

I want to focus my comments today on the dairy portion of this bill. The dairy provision has been the subject of some criticism by the press and others. They say we are milking the drought, and that consumer prices will go up because of the temporary increase in price supports.

I agree that milk prices could go up, but I disagree with the reasons cited in the press by so-called consumer advocates. Milk prices could go up because we have not done enough in this bill to ensure that enough dairy farmers stay in business to meet our Nation's needs.

In the mid-1970's, the Nixon administration attempted to reduce inflation in food prices by keeping milk support prices well below what was needed for dairy farmers to cover their feed costs. Dairy farmers went out of business in droves, domestic supplies dried up, and consumer prices increased by 30 to 40 percent in just 25 years.

The parallel between the early 1970's and the situation today is sobering. Dairy feed prices have increased 25 to 40 percent in the last few months, yet prices received by the farmer have stayed the same. A similar cost-price squeeze occurred in the mid-1970's. This year, feed prices are not expected to return to normal levels unitl the next crop year, if then.

In many ways, we are in a much worse position to mitigate the impact of milk product shortages than we were in the 1970's. Back then the world was swimming in milk. Today, due to the whole herd buyout in this country and supply control programs in Europe, we have a worldwide shortage of nonfat dry milk and tight world supplies of cheese.

I cannot emphasize enough how much the situation has turned around. There is no longer a milk surplus because the dairy program has worked.

We now have no uncommitted stocks of nonfat dry milk or cheese in Government storage. Fortunately, we have over a year's supply of corn and wheat in storage to help us through this drought. However, we have less than a week's supply of dairy products in Government storage.

In fact, Assistant Secretary John Bode warned last month that by this fall we may not have enough of these products in stock to meet our commitments to nutrition programs. According to my calculations, the School Lunch Program could lose $200 million worth of cheese if cheese purchase projection released by USDA last month are correct.

We have already abandoned the distribution of cheese and nonfat dry milk under the Temporary Emergency Food Assistance Program [TEFAP]. Yesterday we approved legislation that will provide funds for the purchase of cheese and other commodities for TEFAP. If domestic supplies continue to tighten up because we allow too many farmers to sell out, the money spent on cheese will not go nearly as far as it did when CCC purchased products directly from processors.

The poor—those dependent on bonus commodities and the working poor who spend a higher percentage of their income on food—will be hardest hit if product shortages cause price increases. Yet all consumers of dairy products will suffer if we make the same mistakes we made back in the mid-1970's. At that time we opened the floodgates to imports to mitigate the consumer price shocks; now we do not even have the luxury of taking this ill-conceived action because of the world supply situation.

Two things are happening out in the countryside to the thousands of family dairy farmers who work so hard to supply our Nation with a safe, affordable supply of milk. First, all dairy farmers—whether in a drought area or not—face substantial increases in feed costs due to the drought. In my area, grain prices are up 25 to 40 percent.

Second, those dairy farmers in drought areas have lost their forage. If they are lucky enough to have any hay left from last year, they are feeding it to their cows now because their pastures have dried up. Even worse, hay and corn crops that dairy farmers count on to take their herds through the winter have been lost.

The first problem—higher feed costs—is forcing many farmers to reduce the amount of soy protein and concentrates fed to their cows. This is causing an immediate reduction in production per cow. With the milk feed ratio at 1.15, its lowest level since 1973, it no longer makes sense for a dairy farmer to feed additional grain to the cows in order to get additional production. Milk per cow dropped 5 percent between May and June.

The second problem—forage availability—is forcing farmers to liquidate part or all of their entire herds. Some farmers have been forced to sell out altogether. Others are trimming their herds in anticipation of short feed supplies. Cow numbers dropped 39,000 in the 21 State region between May and June of this year. In the previous 11 months, cow numbers dropped 45,000. Cow slaughter in region 5, which includes the major Midwestern milk producing States of Minnesota and Wisconsin, is up 18 percent over last year since June 1. And last year we were in the middle of a whole-herd buyout slaughter that removed 1.5 million cows from the national dairy herd.

It is clear from the facts that dairy farmers are now making irreversible decisions about whether or not to stay in farming. On the horizon are high grain prices and continued low milk prices, along with another potential price cut in 1990.

High market prices are expected to help improve the situation through the fall and winter months. The 3-month increase contained in this bill should provide some added protection during the spring flush, when prices received by farmers are traditionally at their lowest point. I remain concerned, however, that we have not sent enough of a signal to the dairy farmers to keep them from deciding that it is no longer worth it.

Each 15-percent increase in feed prices is equivalent to a $0.50 cut in the milk price paid to farmers, in terms of the impact on net farm income. Feed cost increases due to the drought have already effectively cut the support price $1 in addition to the $0.50 price cut that took effect on January 1.

It appeared that before the drought hit, milk supply and demand were finally coming into balance. The buyout, combined with price cuts, had reduced the productive capacity of the industry back to the level needed to meet commercial demand and Government feeding programs. In order to return this balance, we should have approved a temporary, $1 price support increase to offset feed prices.

Opponents of the provision to help dairy farmers argued strenuously that we should not help one segment of agriculture over another. It is important to remember that crop farmers will receive direct government payments for their losses; dairy farmers will not.

Livestock and dairy farmers with substantial losses who grow their own feed will receive limited feed assistance, similar to what is provided under the current feed assistance programs. The dairy farmers that purchase their own feed will not be eligible for feed assistance.

I understand why beef producers feel they are being treated unfairly. However, let's not forget that just last month the Secretary of Agriculture spent $50 million in section 32 funds to support beef prices from a precipitous drop threatened by a drought-induced slaughter.

The bottom line is that Congress is responsible for the dairy program. We do not have a beef or chicken or hog program. We do have a dairy program. The U.S. Congress has determined that it is in our national interest to ensure that the consumers of this country have a safe, affordable, and adequate supply of milk. In order to live up to our mandate, we have a responsibility to assist dairy farmers through this drought.

I urge support for this conference report.

Mr. MADIGAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio [Mr. MILLER].

Mr. MILLER of Ohio. Mr. Speaker, I rise in support of the conference report.

I want to thank the conferees for their thoughful and expeditious consideration of this vital legislation. In my State of Ohio, this summer's drought has hit our farmers hard and the relief will be welcome.

In addition to the relief to be provided for farmers, this measure also assists ethanol producers who will be adversely impacted by the low yield of this year's corn crop. One such ethanol producer operates in my district at South Point, OH. This plant uses 2 million bushels of corn per month and produces 7 percent of the Nation's ethanol needs. Ordinarily, most of the corn used at the South Point plant comes from Ohio.

Thanks to this bill, ethanol producers who use less than 30 million bushels of corn per year will be eligible to purchase less expensive Government-owned surplus corn.

Last, but not least, the conferees are also to be congratulated for bringing down the costs of the bill. The bill is within budget and is deserving of our support.

Mr. MADIGAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. SCHUETTE].

Mr. SCHUETTE. Mr. Speaker, I rise in support of the conference report.

Mr. MADIGAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri [Mr. COLEMAN].

Mr. COLEMAN of Missouri. Mr. Speaker, I rise in support of the conference report on this drought relief bill. It is responsible, it is timely, and it is certainly needed. I urge passage of this conference report.

Mr. MADIGAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Mr. Speaker, I rise in strong support of the conference report to accompany the Drought Assistance Act of 1988. I also want to pay special thanks to Agriculture Committee Chairman DE LA GARZA and to Vice Chairman ED MADIGAN for their leadership in moving this legislation forward with all due speed. Agriculture Secretary Richard Lyng should also be commended for the foresight and cooperation that he has exhibited while keeping in daily contact with the Congress on the status of drought conditions around the Nation.

Although I am not in complete agreement with every provision in this legislation, I do believe the compromise measure before us is one of the best products that we could achieve under our current budgetary restraints. I would have preferred that the final bill would have extended emergency livestock assistance to those livestock and poultry producers who do not grow their own feed, but for the most part this bill does meet the fairness and equitability criteria that we set forth when we began deliberations on this issue months ago.

Many of the farmers I represent in southeast Missouri have been hard hit by the drought, and it almost goes without saying that the drought is creating stress throughout the entire agricultural economy. Forty percent of the cash crops grown in Missouri are raised in my district, and the crop assistance provisions in H.R. 5015 will help ease the financial burden placed upon those producers. I am also pleased that we have seen fit to provide a temporary increase in the dairy price support for 3 months next year following the spring "flush"; these provisions are a good compromise to address the unique problems confronting the dairy industry. I also want to express my appreciation for the inclusion of assistance for commercial timber growers, who are numerous in my district.

All in all, I want to emphasize, however, that my farmers are not looking for a handout, they're looking for a hand up, the kind of help contained in H.R. 5015. This bill does not

eliminate the risks associated with farming, but it does ensure that our food- and fiber-producing infrastructure will be there when we need it for years to come. This bill does preserve the integrity of Federal crop insurance and the credibility of Government-sponsored farm programs. On balance, it's a good bill which deserves our support.

Mr. MADIGAN. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Nebraska [Mrs. SMITH].

Mrs. SMITH of Nebraska. Mr. Speaker, I rise in support of H.R. 5015, the Drought Assistance Act of 1988, legislation to bring essential financial relief to our Nation's farmers and ranchers threatened by the drought of 1988.

While I support this conference report, I must express my disappointment that it does not include assistance for individuals hurt by 1987 natural disasters. I have fought to have included in this legislation aid to producers who have suffered major crop losses in 1987 due to natural disaster.

It is important to realize that the Congress has previously assisted producers affected by natural disaster in 1983, 1984, 1985, and 1986, and now we stand ready to provide financial assistance for 1988.

I continue to ask, "Why not 1987?" I am told this would have been too costly, but the House version would place a $40 million cap on 1987 aid. This proposal would have been well within the budget and would have only added a 1-percent increase to the cost of this conference report.

On August 4, 1987, Scotts Bluff County, NE, experienced a hailstorm that damaged a strip of land 25 miles long and 12 miles wide; 192,000 acres of farmland were destroyed, causing an estimated $30 million of crop damage. A storm of similar destruction would have destroyed all the cropland in Rhode Island if it had occurred there.

Today I received a letter from an individual who was affected by this disaster. Commenting on the drought bill, his letter reads, "Thanks alot! I mean thanks for nothing." He adds, "Why not let (individuals now suffering the effects of the drought) rough it out like we are?"

I support the bill before us today because it is excellent as far as it goes. But I continue to feel strongly that it would only be fair to include 1987 disaster assistance within the legislation.

I and my good friend from Texas, Mr. STENHOLM, were able to amend the original House drought assistance proposal to include aid for those severely impacted by 1987 natural disasters.

Unfortunately, the conference committee appointed to draft the final assistance package removed the 1987 disaster relief—a decision I deplore.

However, I commend my colleagues for their quick response to this year's national emergency. At present, the breadbasket of America is suffering the worst drought in 50 years.

Water levels have dropped to dangerously low levels throughout the Midwest, and it is estimated that U.S. agricultural production this year will fall 24 percent when compared to 1987 output.

In my district alone, the U.S. Department of Agriculture has determined 34 counties to be emergency drought areas due to below normal rainfall and above-normal temperatures.

My district has been blessed with late summer rains, but the dramatic damage has been done, and the expense to Nebraska's farmers and ranchers will be enormous.

I have been very pleased with the actions taken by the Secretary of Agriculture to assist early in the drought, but now the time has come for the Congress to finish debate and complete its consideration of an effective and sensible assistance program.

H.R. 5015 responds to the drought and other natural disasters by providing disaster relief payments to producers who have or will suffer major production losses. Although this legislation does not pay for all the costs incurred by a producer, it will help pay for the seed, fertilizer, fuel, and other production costs lost due to the drought.

Another major provision of H.R. 5015 provides emergency feed assistance to livestock producers who have lost their feed source due to the sustained dry conditions.

The severity of the drought is impacting cattle producers today with higher feed costs and shortages. The feed assistance provisions within this bill would be set for implementation 15 days after enactment.

I emphasize that H.R. 5015 is not simply a program to respond to the devastation caused by drought. Also included is financial relief to individuals suffering major losses due to 1988 natural disasters. It would have been infinitely fairer to have included last year's losses as well.

While I agree that the Federal Government should not be expected to guarantee a producer's income, we must make certain that farmers and ranchers, as well as rural communities, are not forced into financial collapse due to natural disasters.

I have argued that any drought and disasters assistance proposal must be financially reasonable and sound. The original disaster assistance legislation overwhelmingly passed by the House on July 28 would have cost the American taxpayer an estimated $5.8 billion.

Today, I am happy to see that the legislative package before the House for final approval has been drafted to only cost approximately $3.9 billion and is designed to include many of the basic assistance programs recommended by the President's Interagency Drought Task Force.

I urge my colleagues' support for this legislation so assistance and relief can be made available to our Nation's farmers and ranchers.

Mr. MADIGAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Montana [Mr. MARLENEE].

Mr. MARLENEE. Mr. Speaker, I would like to ask the gentleman from Texas [Mr. DE LA GARZA] a brief question, and I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Speaker, I would be happy to answer any question for the gentleman from Montana.

Mr. MARLENEE. Mr. Speaker, I again comment the chairman for the splendid job he did in guiding this bill through the committee to passage in this Chamber, and in providing the leadership necessary to speedily resolve some thorny issues in the conference.

In a hurried process such as the one we have been through on this legislation there are always last minute details which are overlooked. On each detail concerns section 301 of the bill, which allows for the planting of limited amounts of soybeans or sunflowers under certain circumstances on acres which otherwise would be devoted to wheat, feed grains, cotton, or rice. Growers who exercise this option will not lose any of the crop base acreage which they already have on the farm. The reason for this is to help prevent a critical shorage of oil-seeds which seems likely to occur duing the next 2 years without the provisions in section 301.

It has come to my attention that in drafting section 301, we completely overlooked the inclusion of safflowers among the oil-seeds which will likely face supply shortages just like soybeans and sunflowers. Safflowers are an important crop in eastern Montana and the western portions of North Dakota and South Dakota. Rainfall in the area is usually about 5 inches below the level needed to produce a crop of sunflowers, and safflower is more tolerant to drought.

Most farmers do not have the specialized equipment necessary for sunflower production. However, safflower production utilizes the same equipment as small grains and is therefore an ideal rotation crop. Obviously, had we been aware of the technical problem in failing to include the term "safflowers" under the provisions of section 301, it would have been included along with soybeans and sunflowers.

My questions to Chairman DE LA GARZA is whether the gentleman agrees that our intent is to authorize increased oil-seed plantings and that the Department of Agriculture should

take steps under the bill and other authorities to permit increased plantings of safflowers on a portion of permitted acres to achieve the intent of section 301?

Mr. DE LA GARZA. Mr. Speaker, if the gentleman will yield, I believe the gentleman correctly states the intention of the committee and the provisions of section 301. I agree and in consultation with the distinguished chairman of the subcommittee, he also agrees.

Mr. MARLENEE. I thank the chairman of the Agriculture Committee for assisting in clarifying the matter.

Mr. MADIGAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I wonder if the gentleman from Texas [Mr. DE LA GARZA], the chairman of the committee, could respond to a question I have with regard to the Shasta Dam project.

My staff had checked with the Agriculture Committee as of yesterday and was told that that particular project, which has been acknowledged around the country as one of the most outrageous pork barrel projects to get into the bill, had in fact been stripped out of the bill and there was no authorization for it.

I look at the papers here today and I find a $5½ million authorization for this very bad project in the bill.

I would like to know, first of all, why my staff could not find out yesterday about this; and second, how we ended up with the Shasta Dam temperature curtain in a drought relief bill.

Mr. DE LA GARZA. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Speaker, I do not know why the gentleman's staff was not able to ascertain what was in the conference and what was in the conference report.

Mr. WALKER. My staff was told that the authorization had been taken out. Now, what I am trying to find out is how it got back in.

Mr. DE LA GARZA. I do not know who they spoke to, because it was approved by the committee and was approved by the conference committee.

Mr. WALKER. So if I understand the chairman correctly, this drought relief bill, this bill that supposedly takes care of farmers who are having great problems as a result of the drought, is now also going to take care of the yuppies and make certain that their salmon mousse supply is not interfered with by getting a temperature curtain on a river that has absolutely nothing to do with the drought; is that my understanding?

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Mr. DE LA GARZA. Mr. Speaker, the gentleman is incorrect. No. As I stated in the original debate on the legislation, drought is a very complex phenomenon, and it impacts in many different ways on many different things related to food supply. Temperature on a river is impacted upon by drought, in other areas of that river or its tributaries or behind a dam. This is one of those, complex as it may be, and I hope the gentleman will understand that shortage of water impacts on temperatures of water on parts of a river. The salmon fishery is a part of the food supply, and a very integral part of the food supply.

Mr. WALKER. Mr. Speaker, I want to tell the gentleman that it is my information that there is no such drought in the area where this dam is, that we are in fact taking preventive action for the future. It has absolutely nothing to do with an emergency situation out there. There is no emergency. This is an emergency bill, and it is absolutely absurd that we ought to do this. I am very sorry that the gentleman's committee and the others who are involved in this conference saw necessary to engage in the kind of pork-barreling in a very necessary bill. It seems to me we ought to have clean legislation around here. I think many people across this country are getting sick and tired of Congress using every possible emergency to pork-barrel it.

Mr. DE LA GARZA. Of course, the gentleman is entitled to his opinion. I would state for the record that California now is in a very difficult situation. As a matter of fact, the drought in California is going to be next year, because they are drawing twice as much water as is coming into the tributaries, and pending a massive snowfall next winter in California, we will be talking about California and the drought that could impact upon it much more than what this project is doing at this time.

Mr. WALKER. Mr. Speaker, I thank the gentleman, and I am glad we have taken preventive action to make sure that the salmon mousse continues to be on the tables.

Mr. MADIGAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon [Mr. ROBERT F. SMITH].

Mr. ROBERT F. SMITH. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I just wanted to mention to the Members of the House that there has been no conference committee since I have been here for 5 years that has come in with a 30-percent reduction out of conference. This bill cuts out $2 billion from the Senate version. There is no pork in this bill. There might be an oinker or two, but taking out $2 billion is substantial. I can tell the conservatives they should vote for this bill, because it is directed to those people who are truly hurt by the drought.

Mr. Speaker, at the outset of our work on H.R. 5015, we established criteria meant to include only those who have suffered the loss of all or part of a crop due to the drought.

In the end, we have not stepped from this path. We knew that to do so would have invited a host of inequities into this legislation and into permanent law.

We recognized that it is beyond the scope of this Congress to undo all of the market conditions of this drought for each individual across the Nation. Attempting to do so would have had far-reaching budget, economic, and policy implications.

At one point, cost estimates of this bill reached as high as $6.5 billion. By trimming unfair or inappropriate spending, this legislation now carries a $3.9 billion price tag—well within the constraints of our budget and the Gramm-Rudman trigger.

Mr. Speaker, we have completed work on a fiscally responsible bill that will target assistance to producers who have suffered a crop failure as a result of the drought of 1988.

The bill will take many important steps:

First. It establishes a new program to replace current livestock assistance programs and authorizes additional forms of help such as feed donations and transportation assistance.

Second. H.R. 5015 provides disaster payments to any producer of program or nonprogram annual commercial crops who lose 35 percent of their 1988 crop due to drought.

Third. Forbearance is urged throughout the FmHA and Farm Credit System and the Secretary is directed to take steps to assist producers and rural businesses affected by the drought by making operating loans available for 1989 production.

Fourth. We expanded nonprogram drought benefits for the replanting of seedlings planted on private lands this year and last but lost as a result of this year's drought conditions.

Fifth. H.R. 5015 includes assistance as a result of weather-related disaster often associated with drought years—flood, wind, and hail.

Sixth. We have included forage as eligible for transportation assistance in the livestock aid program.

Mr DE LA GARZA. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Speaker, I just wanted to commend the conference committee for their work in reducing the cost of this legislation from what it was when it left the House. It looks like we will be able to meet the needs of our drought-stricken farmers in this country after the conference committee report is adopted at a cost of about one-half billion dollars less than what we were looking at.

I commend the conference committee for their work, and I am also pleased that we are going to be able to meet this need and still do it within the context of figures we were looking at earlier this year when the budget

resolution was passed, and will probably end up saving the taxpayers $2 billion. I commend the committee.

Mr. DE LA GARZA. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for yielding time to me.

I want to compliment the chairman on an outstanding piece of legislation crafted with concern for those who are suffering from this drought. I would like to raise one question, and that is the delivery system vitally important to ensure that the benefits will be delivered to farmers. What measures have been taken in this legislation or in appropriations or at the prodding of the chairman of the Department of Agriculture to be sure that personnel will be available at the ACS offices at the county level to deliver the benefits of this legislation?

Mr. DE LA GARZA. Mr. Speaker, will the gentleman yield?

Mr. OBERSTAR. I am happy to yield to the gentleman.

Mr. DE LA GARZA. Mr. Speaker, I would state to my colleague that under the guidance of the President, the working cooperation of the Secretary of Agriculture, the leadership on both sides of the aisle of the House and Senate that I would assume that we will have the necessary steps which will be taken by the Department and by the administration to implement this legislation.

Mr. OBERSTAR. Mr. Speaker, I want to urge the chairman to stay on top of them and prod the Department to ensure that there will be adequate temporary personnel to carry out the job, and I know that the chairman has a real concern about that.

Mr. DE LA GARZA. I assure the gentleman that we will.

Mr. MADIGAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa [Mr. GRANDY].

Mr. GRANDY. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in strong support of this compromise package artfully crafted by our chairman and our ranking member.

Mr. Speaker, despite some reports to the contrary, the congressional machine is alive and well and even churning out results. This is illustrated today in the final version of the drought assistance package that the House will consider.

In just a few weeks time, the respective Agriculture Committee members of the House and Senate delivered legislation that is responsive to the millions of American farmers suffering under the drought.

Certainly, there was disagreement and debate along the way. There are provisions absent from the bill that I wish were included. No doubt, I am not the only lawmaker who can make that claim.

But while battles were fought, we never lost sight of our purpose. The bill is budgetwise, and, most importantly, responsive to the needs of farmers hardest hit by the drought. While its provisions are detailed and specific, the message to drought-stricken producers is very clear: Help is on the way.

As an Iowa Congressman, the drought bill was of obvious interest to me and the citizens of my district. I want to thank the scores of people in north and northwest Iowa who provided valuable input on what kind of assistance was needed. Knowing their opinions was most useful during my work on the bill.

I urge my fellow members to support the conference bill today, which will provide the help to those who need it most.

Mr. MADIGAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DE LA GARZA. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi [Mr. ESPY].

Mr. ESPY. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of this conference measure.

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we saw the need. We were convinced of its validity. We acted accordingly. We have met all the tests. We have kept the faith to all who will be helped by this legislation. Our promise has been kept. All Americans should be proud—we are a better people for what we do here today.

Mr. ROTH. Mr. Speaker, I rise in strong support of the Drought Assistance Act of 1988. This vital legislation offers a helping hand to our Nation's farmers who have been hard hit by the drought that has swept the Midwest.

As a cosponsor of this important legislation, I would like to commend my colleagues on the Agriculture Committee for the expeditious manner in which they have moved the final bill to the House floor.

Without a doubt, we are facing the worst drought to grip the country in over 50 years. All 72 Wisconsin counties have been declared disaster areas. Wisconsin's rural communities dependent on agriculture have been particularly hard hit. Everyone from the local shopkeeper to the implement dealer has felt economic pressures from the drought.

In my district, which encompasses northeast Wisconsin, over 65 percent of the hay crop and 45 percent of the corn crop have already been lost. A ton of hay selling for $50 last year is now selling for over $150. The feed costs for next year will eat up an additional $12,000 to $15,000 of the farmer's budget. That's a lot of money for a Wisconsin dairy farmer who normally has a profit margin of only $10,000 to $15,000.

The emergency drought legislation will help farmers make it through the remainder of the year and ensure that they will be able to plant their crops next year. The measure will preserve the economies of drought-stricken rural communities and prevent a serious disruption in the supply of food to American consumers.

The Drought Assistance Act provides relief to all sectors of our Nation's agricultural economy including, crop producers, livestock producers, dairy farmers, and agribusinesses. Wisconsin farmers will directly benefit from many of the provisions in the bill.

Specifically, the feed assistance provisions and disaster payments will help those farmers who grow their own crops. Up to 50 percent of the cost of feed and transportation will be available to those producers who have had substantial feed production losses. Farmers suffering over a 35-percent loss of crops will be eligible for direct disaster payments at a rate of 65 percent of the target price or support price. Farmers with losses on 90 percent or more will get additional aid.

Advance deficiency payments on crops will not have to be repaid on crops that failed, unless a disaster payment was received for that crop already. Over 80 percent of Wisconsin's farmers have received.

Most important, Wisconsin dairy farmers will not be faced with a 50-cent cut in the dairy price support next January 1. And starting next April 1, a temporary 3-month increase of 50-cents in the dairy price support will be provided. This increase, which runs through July 1, 1989, will help offset any destabilization of the price of milk during next spring's flush season.

Elimination of the 50-cent cut will save Wisconsin dairy farmers an estimated $130 million in lost income next year and the modest increase in the price support during the spring will go a long way toward preventing disruption in our Nation's milk supply and skyrocketing costs for consumers. This small increase in price next spring will offer stability to many family farmers who might have been forced to liquidate their herds.

The Drought Assistance Act of 1988 provides desparately needed relief to America's heartland. The feed, crop and dairy provisions of the bill will help minimize the long-term impact of the drought on Wisconsin's farmers. The expansion of the Business and Industry Loan Program in the bill will also help prevent the bankruptcy of many of our Main Street agribusinesses.

Mr. Speaker, the bill before us today is in the best interest of farmers, consumers and our country. I strongly urge my colleagues to support this well-crafted and responsible legislation.

Mr. ROWLAND of Georgia. Mr. Speaker, I support the conference report on H.R. 5015, drought disaster assistance. I voted for this measure when it originally passed the House on July 28, 1988. I continue to support these efforts, and I want to commend my colleagues who have worked so hard on this disaster relief package.

Mr. BEREUTER. Mr Speaker, I rise today in strong support of H.R. 5015 and commend the administration and the leadership on both sides of the aisle for the cooperative, bipartisan effort in the swift and decisive action taken on the most serious drought this country has witnessed in over 50 year. The House Agriculture Committee under the leadership of Chairman DE LA GARZA and the ranking minority member, Mr. MADIGAN, must be commended for crafting legislation with a disaster-

aid delivery system which is based on proven commodity losses, consistent across commodity lines, and directs emergency feed programs at those producers who are unable to grow adequate stocks needed to support foundation herds.

From the time the bipartisan, bicameral drought task force was established less than 2 months ago, this Congress has responded in a sensitive and fiscally responsible manner when faced with conditions that could impose a roadblock to agriculture's continuing recovery. While Secretary Lyng has acted promptly and pledged to continue to use existing authority in drought mitigation efforts, there is little more that can be done without the passage of H.R. 5015.

This Congress has been able to draw the line on elements that have no place in this legislation. Assistance through H.R. 5015 is directed to those who suffer substantial losses due to drought in 1988 and deals with the drought impact as it affects producers in 1988. Due to the broad bipartisan support, this bill has almost without exception not been utilized to make major policy changes in basic farm policy. Costly fundamental changes in the farm program or benefits directed toward those not affected by the drought would cause deep resentment and antagonism not only by my urban colleagues but by the American people. We could easily and properly pass legislation that is truly directed toward those substantially hurt by the drought but this legislation must not be and is not construed to be, a "give-away" to those who are not affected by the drought.

In addition to the crop and livestock provisions contained in H.R. 5015, I commend the conference committee's response to the devastating effect of the drought upon Main Street business and rural communities. Through the emergency rural business provisions in the drought package, we can assist rural America by directing the Secretary to stretch the FmHA business and industry loan programs to the proper maximum usage, to provide refinancing of 1988 debt to small businesses hurt by the drought, and to authorize up to $200 million from the Rural Development Insurance Fund for FmHA for the guarantee of loans to rural businesses and Indian tribes.

The President has agreed to sign this necessary legislation this week. The next step is for the USDA to expeditiously and conscientiously design the rules and regulations to properly reflect congressional intent in the implementation of H.R. 5015. However, this Congress cannot relinquish all responsibility to the USDA. We must continue to monitor the situation and assure our farmers and ranchers that the local ASCS offices have the resources they need when assisting producers with the drought relief programs approved.

Therefore, perhaps the most important remaining element is one that cannot be included in this legislation. That is the "commonsense" element which will be essential and must be conscientiously employed by county ASCS personnel and the personnel of other Federal agencies in implementing this legislation.

Mr. WILLIAMS. Mr. Speaker, today marks the culmination of hard work and long hours to bring a timely drought relief package to the farmers and ranchers who are suffering the most from the drought of 1988. This legislation will give hope to both farmers and ranchers hit hardest by the destructive result to crops and pastures from weeks and months without timely rains.

I want to thank Chairman DE LA GARZA, Subcommittee Chairman STENHOLM, the members of the joint drought task force, and the cosponsors of H.R. 3081 for including the major provisions of my bill, in the drought relief bill.

One year ago my colleagues and I introduced the Emergency Livestock Feed Assistance Act of 1987, H.R. 3081. In May of this year the Agriculture Committee under Livestock Subcommittee Chairman, CHARLIE STENHOLM, held field hearings in Idaho and in my district in Bozeman, MT, at my request. These hearings added to the previous public record of a March 1987 Government Accounting Office study and emphasized the need for prompt coordinated response to drought. The GAO had concluded that previous drought assistance in response to the 1985 drought in Montana and other neighboring States had been too late to help many livestock producers and the data indicated the offered assistance in some cases was unusable.

Livestock have to eat every day. Our legislation includes a ticking clock—a 1-month clock set in motion by request for assistance by States to the Department of Agriculture requiring final response before the time expires. This provision will help farmers and ranchers know how to plan to feed their stock. Our legislation draws together seven livestock assistance programs under a single request and response procedure with final authority resting with the Secretary of Agriculture for all seven types of assistance after the request is made by the Governor and County Agriculture Stabilization and Conservation Committee. The donation and transportation provisions had been rarely used in the past but their appropriateness was highlighted by this year's drought and they now are part of the combined and streamlined drought law.

Teamwork has been the trademark of the success of this legislation in meeting a challenging schedule to give our agriculture producers hope. I again thank the chairman for his leadership in this effort.

Mr. MILLER of California. Mr. Speaker, subtitle B of title IV of H.R. 5015 contains the Reclamation States Drought Assistance Act of 1988 and other provisions designed to enable the Secretary of the Interior to respond to the drought in the Western States.

This subtitle originated in the Interior Committee as H.R. 4626, introduced by Mr. COELHO.

The basic purpose of subtitle B is to provide the Bureau of Reclamation with some flexibility to make water from Bureau projects available to a variety of users during a drought emergency.

Our intention, in drafting these provisions, was to make it possible for all water users to have access to the water from Bureau projects, whether or not they normally receive such water. This would include cities and towns. This would include farmers who are not now Bureau contractors, fish and wildlife which are experiencing tremendous losses from the drought.

The language agreed to by the conferees is clearly discussed in the conference report. There are, however, several issues I would like to clarify for purposes of the legislative history of this bill.

Section 413 of this subtitle provides the Secretary of the Interior with the authority to make water or canal capacity at existing reclamation projects available to water users and others on a temporary basis. The price to be charged for this water is to be at least sufficient to recover the operation and maintenance costs and an appropriate share of the capital costs associated with providing such water. The phrase "appropriate," as used in this section, is synonomous with "proportionate" share of the capital costs.

I would further note that this section establishes a floor for what the Secretary may charge. It is perfectly acceptable for the Secretary to charge a greater amount, if he so chooses.

Section 413 also directs that the actions of the Secretary in making water or canal capacity available to water users and others shall be consistent with existing contracts or agreements and State law.

The word "agreements" is important and should not be overlooked by the Department in implementing this provision. It is our intention that this term be interpreted liberally. For example, there are many State fish and wildlife agencies that may have agreements, memorandums of understanding, or other arrangements, providing for water for fish and wildlife purposes. This is certainly the case in California.

The conferees would expect the Secretary to take these agreements into account when determining how much water is available for contracting under section 413.

Section 417 authorizes the Secretary to make available to the Oakdale and South San Joaquin irrigation districts their unallocated storage from the previous year. This language is not intended to set any precedent. It was not included to take a position on ongoing discussions between the Bureau and the irrigation districts.

Mr. Speaker, most of the assistance we are providing in H.R. 5010 is aimed at farmers. The reclamation provisions will assist others as well, including towns and cities, and wildlife.

The onfarm impacts of the drought are obvious and have received most of the attention of the press. However, we should not forget that the drought has also impacted commercial and sport fisheries, wildlife, and municipal water users. They deserve our attention as well.

Mrs. LLOYD. Mr. Speaker, I rise in strong support of the conference report before us today on critical, emergency drought-relief legislation to aid farmers and ranchers affected by one of the driest growing seasons on record. This legislation passed the Senate 92–0 on August 8, and it is imperative that the House acts to quickly follow suit since Agriculture Department officials have stated that assistance could begin reaching farmers about 60 days after enactment.

Because my district has been so severely affected by the drought, I have worked with the drought task force of the House and Senate Agriculture Committees to ensure that the needs voiced by my farmers and manufacturers were adequately addressed in the context of this emergency relief bill. I am pleased that the House-Senate conferees retained much of the language I worked to include in the original House-passed bill.

Since the farmers in my district have expressed great concern over the repayment of Farmers Home Administration [FmHA] loans, among my primary efforts in the drafting of this legislation was the inclusion of language concerning farm credit. Provisions of the conference agreement with regard to FmHA and Farm Credit System [FCS] lending are virtually identical to those in the House bill. The agreement directs FmHA and FCS to exercise forbearance in collecting loan payments from affected farmers, and to expedite the use of credit restructuring measures available under existing law; and authorizes FmHA loan guarantees to help farmers hurt by the drought to refinance their debt. It also waives for 1988 disasters only, the existing requirement that farmers must have purchased Federal crop insurance to qualify for FmHA emergency disaster loans and directs FmHA to take steps to make operating loans available in 1989 to those affected by the drought; I worked hard to have these provisions included in this bill and believe they will enable many farmers to continue their operations.

I also worked to include language in this measure to address the immediate need of my livestock producers for a supply of hay and grain feed. Like the House bill, the conference agreement establishes a new, pemanent program, effective 15 days after enactment, that would replace two existing programs to help livestock producers obtain feed for their animals. The types of livestock assistance provided under the conference agreement would be the same as in the House bill—including reimbursement for up to 50 percent of the cost of feed purchased to replace crops destroyed by the drought; sales of feed owned by the Commodity Credit Corporation [CCC] to livestock producers at reduced prices, and donation of feed to those who cannot afford to pay even the reduced price; payment of up to 50 percent of the cost of transporting and handling feed from CCC stocks, transporting feed or forage from locations outside the area where the producer would normally purchase it, or transporting livestock to available grazing locations; and payment of up to 50 percent of the cost of various measures to provide adequate water supplies for livestock.

I also worked to include language addressing other critical aspects of the water shortages our rural areas are experiencing. This agreement authorizes such sums as may be necessary for the USDA to provide rural water management assistance—including loans, grants, and loan guarantees, technical assistance and extension services, research and development projects, and other types of assistance problems caused by drought and water shortages, and to help our rural area make more efficient use of water resources.

Because many individuals in my district have expressed their concerns over soybean production, I have worked to include language in this bill to allow for greater flexibility in soybean production. Like the House bill, the agreement requires USDA to permit farmers to plant soybeans or sunflowers in 1989 on 10 to 25 percent of their acreage normally planted with cotton, rice, wheat, or feed grains—without reducing their acreage base for the crop planted previously.

Mr. Speaker, this conference agreement has been crafted to efficiently and equitably protect farm income while ensuring the economic health of drought-affected rural communities. Its immediate implementation is essential to the future of the American farmer who is the backbone of our Nation. It is a good compassionate bill with constructive, thoughtful programs to protect farm income and assure a continued adequate supply of food for American consumers. It targets Federal assistance to those who need it. It will prevent the bankruptcy of thousands of family farms so that when normal rainfall returns next year, these farms will still be in operation. I urge my colleagues to join with me in supporting this legislation so that it can be signed into law as soon as possible.

Mr. DE LA GARZA. Mr. Speaker, I yield back the balance of my time.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 383, nays 18, not voting 29, as follows:

[Roll No. 270]

YEAS—383

| | | |
|---|---|---|
| Ackerman | Boehlert | Clarke |
| Akaka | Boggs | Clement |
| Alexander | Boland | Clinger |
| Anderson | Bonior | Coats |
| Andrews | Bonker | Coble |
| Annunzio | Borski | Coelho |
| Anthony | Bosco | Coleman (MO) |
| Applegate | Boucher | Collins |
| Archer | Boxer | Combest |
| Armey | Brennan | Conte |
| Aspin | Brooks | Conyers |
| Atkins | Broomfield | Cooper |
| AuCoin | Bruce | Courter |
| Baker | Bryant | Coyne |
| Ballenger | Buechner | Craig |
| Barnard | Bunning | Crockett |
| Bartlett | Burton | Darden |
| Barton | Bustamante | Daub |
| Bateman | Byron | Davis (IL) |
| Bennett | Callahan | Davis (MI) |
| Bentley | Campbell | de la Garza |
| Bereuter | Cardin | DeFazio |
| Berman | Carper | Dellums |
| Bevill | Carr | Derrick |
| Bilbray | Chandler | DeWine |
| Bilirakis | Chapman | Dickinson |
| Bliley | Chappell | Dicks |
| Dingell | Kastenmeier | Price |
| DioGuardi | Kennedy | Pursell |
| Dixon | Kennelly | Quillen |
| Donnelly | Kildee | Rahall |
| Dorgan (ND) | Kleczka | Ravenel |
| Downey | Kolter | Ray |
| Dreier | Kostmayer | Regula |
| Durbin | LaFalce | Rhodes |
| Dwyer | Lagomarsino | Richardson |
| Dymally | Lancaster | Ridge |
| Dyson | Lantos | Rinaldo |
| Early | Latta | Ritter |
| Eckart | Leach (IA) | Roberts |
| Edwards (CA) | Leath (TX) | Robinson |
| Edwards (OK) | Lehman (CA) | Rodino |
| Emerson | Lehman (FL) | Roe |
| English | Leland | Rogers |
| Erdreich | Lent | Rose |
| Espy | Levin (MI) | Rostenkowski |
| Evans | Levine (CA) | Roth |
| Fascell | Lewis (FL) | Roukema |
| Fawell | Lightfoot | Rowland (CT) |
| Fazio | Lipinski | Roybal |
| Feighan | Lloyd | Sabo |
| Fields | Lott | Saiki |
| Fish | Lowery (CA) | Savage |
| Flake | Lowry (WA) | Sawyer |
| Flippo | Lujan | Saxton |
| Florio | Luken, Thomas | Schaefer |
| Foglietta | Lukens, Donald | Schneider |
| Foley | Lungren | Schroeder |
| Ford (MI) | Madigan | Schuette |
| Ford (TN) | Manton | Schulze |
| Frenzel | Markey | Schumer |
| Frost | Marlenee | Sensenbrenner |
| Gallegly | Martin (NY) | Sharp |
| Gallo | Martinez | Shaw |
| Garcia | Matsui | Shumway |
| Gaydos | Mavroules | Sikorski |
| Gejdenson | Mazzoli | Sisisky |
| Gekas | McCloskey | Skaggs |
| Gephardt | McCrery | Skeen |
| Gilman | McCurdy | Skelton |
| Gingrich | McDade | Slattery |
| Glickman | McEwen | Slaughter (NY) |
| Gonzalez | McHugh | Slaughter (VA) |
| Goodling | McMillan (NC) | Smith (FL) |
| Gordon | McMillen (MD) | Smith (IA) |
| Gradison | Meyers | Smith (NE) |
| Grandy | Mfume | Smith (NJ) |
| Grant | Michel | Smith (TX) |
| Gray (IL) | Miller (CA) | Smith, Robert (NH) |
| Gray (PA) | Miller (OH) | Smith, Robert (OR) |
| Green | Miller (WA) | Snowe |
| Gregg | Mineta | Solarz |
| Guarini | Moakley | Solomon |
| Gunderson | Mollohan | Spratt |
| Hall (OH) | Montgomery | St Germain |
| Hall (TX) | Moody | Staggers |
| Hamilton | Moorhead | Stallings |
| Hammerschmidt | Morella | Stangeland |
| Hansen | Morrison (CT) | Stenholm |
| Harris | Morrison (WA) | Stokes |
| Hastert | Murphy | Stratton |
| Hawkins | Murtha | Studds |
| Hayes (IL) | Myers | Sundquist |
| Hayes (LA) | Nagle | Sweeney |
| Hefner | Natcher | Swift |
| Henry | Neal | Swindall |
| Herger | Nelson | Synar |
| Hertel | Nichols | Tallon |
| Hiler | Nielson | Tauke |
| Hochbrueckner | Nowak | Tauzin |
| Holloway | Oakar | Thomas (CA) |
| Hopkins | Oberstar | Thomas (GA) |
| Horton | Obey | Torres |
| Houghton | Olin | Torricelli |
| Hoyer | Ortiz | Towns |
| Hubbard | Owens (NY) | Traficant |
| Huckaby | Owens (UT) | Traxler |
| Hughes | Oxley | Udall |
| Hunter | Packard | Upton |
| Hutto | Panetta | Valentine |
| Hyde | Parris | Vander Jagt |
| Inhofe | Pashayan | Vento |
| Ireland | Patterson | Visclosky |
| Jacobs | Payne | Volkmer |
| Jeffords | Pease | Vucanovich |
| Jenkins | Pelosi | Walgren |
| Johnson (SD) | Penny | Walker |
| Jones (NC) | Pepper | Watkins |
| Jones (TN) | Perkins | Waxman |
| Jontz | Petri | Weber |
| Kanjorski | Pickett | Weiss |
| Kaptur | Pickle | |
| Kasich | Porter | |

| | | |
|---|---|---|
| Weldon | Wise | Yates |
| Wheat | Wolf | Yatron |
| Whittaker | Wolpe | Young (AK) |
| Whitten | Wortley | Young (FL) |
| Williams | Wyden | |
| Wilson | Wylie | |

NAYS—18

| | | |
|---|---|---|
| Badham | Dannemeyer | McCandless |
| Bates | DeLay | Russo |
| Beilenson | Frank | Scheuer |
| Brown (CO) | Gibbons | Shays |
| Cheney | Kolbe | Stark |
| Crane | Kyl | Stump |

NOT VOTING—29

| | | |
|---|---|---|
| Boulter | Kemp | Mica |
| Brown (CA) | Konnyu | Molinari |
| Clay | Lewis (CA) | Mrazek |
| Coleman (TX) | Lewis (GA) | Rangel |
| Coughlin | Livingston | Rowland (GA) |
| Dornan (CA) | Mack | Shuster |
| Dowdy | MacKay | Smith, Denny (OR) |
| Hatcher | Martin (IL) | |
| Hefley | McCollum | Spence |
| Johnson (CT) | McGrath | Taylor |

□ 1753

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4526, MANASSAS NATIONAL BATTLEFIELD PARK ADDITION

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 100-854) on the resolution (H. Res. 515) providing for the consideration of the bill (H.R. 4526), to provide for the addition of approximately 600 acres to the Manassas National Battlefield Park, which was referred to the House Calendar and ordered to be printed.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GRAY of Illinois). Pursuant to clause 5, rule I, the Chair will now put the question on the motion to suspend the rules on which further proceedings were postponed on Monday, August 8, 1988.

## THOMAS P. O'NEILL, JR., LIBRARY

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3661.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. ATKINS] that the House suspend the rules and pass the bill, H.R. 3661, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 158, nays 239, not voting 34, as follows:

[Roll No. 271]

YEAS—158

| | | |
|---|---|---|
| Ackerman | Gonzalez | Pelosi |
| Alexander | Goodling | Pepper |
| Anderson | Gray (IL) | Perkins |
| Annunzio | Green | Porter |
| Atkins | Guarini | Pursell |
| AuCoin | Hall (OH) | Quillen |
| Beilenson | Hammerschmidt | Rangel |
| Bennett | Hawkins | Regula |
| Berman | Hayes (IL) | Richardson |
| Bliley | Hertel | Rinaldo |
| Boehlert | Horton | Rodino |
| Boggs | Hoyer | Roe |
| Boland | Hyde | Rogers |
| Bonior | Ireland | Rose |
| Borski | Jeffords | Rostenkowski |
| Bosco | Jones (NC) | Roukema |
| Boucher | Jones (TN) | Roybal |
| Boxer | Kennedy | Russo |
| Clinger | Kennelly | Sabo |
| Coelho | LaFalce | Savage |
| Coleman (TX) | Lantos | Schulze |
| Collins | Latta | Schumer |
| Conte | Lehman (CA) | Skeen |
| Conyers | Lehman (FL) | Smith (FL) |
| Coyne | Leland | Smith (IA) |
| Crockett | Lent | Smith (NE) |
| Davis (MI) | Levine (CA) | Smith (NJ) |
| de la Garza | Lipinski | Solarz |
| Dellums | Lowery (CA) | St Germain |
| Derrick | Lujan | Staggers |
| Dixon | Madigan | Stark |
| Downey | Manton | Stokes |
| Durbin | Markey | Stratton |
| Dwyer | Marlenee | Studds |
| Dymally | Martinez | Sundquist |
| Early | Matsui | Synar |
| Eckart | Mavroules | Torres |
| Edwards (CA) | Mazzoli | Torricelli |
| Espy | McDade | Towns |
| Fascell | Miller (CA) | Traficant |
| Fazio | Mineta | Udall |
| Feighan | Moakley | Vander Jagt |
| Fish | Mrazek | Vento |
| Florio | Murphy | Visclosky |
| Foglietta | Murtha | Weiss |
| Foley | Myers | Whitten |
| Ford (MI) | Natcher | Williams |
| Ford (TN) | Oakar | Wilson |
| Frank | Obey | Wolf |
| Gejdenson | Owens (NY) | Wortley |
| Gephardt | Panetta | Wright |
| Gibbons | Parris | Young (AK) |
| Gilman | Pashayan | |

NAYS—239

| | | |
|---|---|---|
| Andrews | Chapman | Frenzel |
| Anthony | Chappell | Gallegly |
| Applegate | Cheney | Gallo |
| Archer | Clarke | Gaydos |
| Armey | Clement | Gekas |
| Aspin | Coats | Gingrich |
| Badham | Coble | Glickman |
| Baker | Coleman (MO) | Gordon |
| Ballenger | Combest | Gradison |
| Barnard | Cooper | Grandy |
| Bartlett | Courter | Grant |
| Barton | Craig | Gray (PA) |
| Bateman | Crane | Gregg |
| Bates | Dannemeyer | Gunderson |
| Bentley | Darden | Hall (TX) |
| Bereuter | Daub | Hamilton |
| Bevill | Davis (IL) | Hansen |
| Bilbray | DeFazio | Harris |
| Bilirakis | DeLay | Hastert |
| Bonker | DeWine | Hayes (LA) |
| Brennan | Dickinson | Hefner |
| Brooks | Dicks | Henry |
| Broomfield | Dingell | Herger |
| Brown (CO) | DioGuardi | Hiler |
| Bruce | Donnelly | Hochbrueckner |
| Bryant | Dorgan (ND) | Holloway |
| Buechner | Dreier | Hopkins |
| Bunning | Dyson | Houghton |
| Burton | Edwards (OK) | Hubbard |
| Bustamante | Emerson | Huckaby |
| Byron | English | Hughes |
| Callahan | Erdreich | Hunter |
| Campbell | Evans | Hutto |
| Cardin | Fawell | Inhofe |
| Carper | Fields | Jacobs |
| Carr | Flake | Jenkins |
| Chandler | Flippo | Johnson (SD) |
| Jontz | Neal | Slattery |
| Kanjorski | Nelson | Slaughter (NY) |
| Kaptur | Nichols | Slaughter (VA) |
| Kasich | Nielson | Smith (TX) |
| Kastenmeier | Oberstar | Smith, Denny (OR) |
| Kildee | Olin | |
| Kleczka | Ortiz | Smith, Robert (NH) |
| Kolbe | Owens (UT) | |
| Kolter | Oxley | Smith, Robert (OR) |
| Kostmayer | Packard | |
| Kyl | Patterson | Snowe |
| Lagomarsino | Payne | Solomon |
| Lancaster | Pease | Spratt |
| Leach (IA) | Penny | Stallings |
| Leath (TX) | Petri | Stangeland |
| Levin (MI) | Pickett | Stenholm |
| Lewis (FL) | Pickle | Stump |
| Lightfoot | Price | Sweeney |
| Lott | Rahall | Swift |
| Lowry (WA) | Ravenel | Tallon |
| Luken, Thomas | Ray | Tauke |
| Lukens, Donald | Rhodes | Tauzin |
| Lungren | Ridge | Thomas (CA) |
| Martin (NY) | Ritter | Thomas (GA) |
| McCandless | Roberts | Traxler |
| McCloskey | Robinson | Upton |
| McCrery | Roth | Valentine |
| McCurdy | Rowland (CT) | Volkmer |
| McEwen | Saiki | Vucanovich |
| McHugh | Sawyer | Walgren |
| McMillan (NC) | Saxton | Walker |
| McMillen (MD) | Schaefer | Watkins |
| Meyers | Schneider | Weber |
| Mfume | Schroeder | Weldon |
| Miller (OH) | Schuette | Wheat |
| Miller (WA) | Sensenbrenner | Whittaker |
| Mollohan | Sharp | Wise |
| Montgomery | Shaw | Wolpe |
| Moody | Shays | Wyden |
| Moorhead | Shumway | Wylie |
| Morella | Sikorski | Yates |
| Morrison (CT) | Sisisky | Yatron |
| Morrison (WA) | Skaggs | Young (FL) |
| Nagle | Skelton | |

NOT VOTING—34

| | | |
|---|---|---|
| Akaka | Kemp | Michel |
| Boulter | Konnyu | Molinari |
| Brown (CA) | Lewis (CA) | Nowak |
| Clay | Lewis (GA) | Rowland (GA) |
| Coughlin | Livingston | Scheuer |
| Dornan (CA) | Lloyd | Shuster |
| Dowdy | Mack | Spence |
| Frost | MacKay | Swindall |
| Garcia | Martin (IL) | Taylor |
| Hatcher | McCollum | Waxman |
| Hefley | McGrath | |
| Johnson (CT) | Mica | |

□ 1814

Messrs. TRAXLER, BONKER, WISE, and RAHALL changed their votes from "yea" to "nay."

So (two-thirds not having voted in favor thereof), the motion was rejected.

The result of the vote was announced as above recorded.

## URGING STATES AND FEDERAL ELECTION COMMISSION TO EVALUATE SUCCESS OF KIDS VOTING PROGRAM IN ARIZONA

Mr. COELHO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 134) to urge States and the Federal Election Commission to evaluate the success of the Kids Voting Program in Arizona, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore (Mr. HUTTO). Is there objection to the request of the gentleman from California?

Mr. FRENZEL. Mr. Speaker, reserving the right to object, I do so in order to yield to the distinguished gentleman from California [Mr. COELHO] to explain the Senate concurrent resolution.

Mr. COELHO. I thank my colleague from Minnesota for yielding.

Mr. Speaker, this resolution pays special tribute to a program in Arizona that encourages young people to vote.

The State of Arizona recently adopted a program that seeks to improve on the most fundamental part of any democracy, exercising the right to vote.

This program permits parents to take their children with them to their polling places, and to have the children cast ballots in a simulated election. Later the results are tabulated and publicized.

Hand-in-hand with the voting experience, Arizona schools have begun teaching a special curriculum on voting, including information on candidates, party platforms, and actual voting procedures. The course is designed to fill the children with a sense of the rights and responsibilities of being informed voters.

In addition, the entire Arizona program is financed with private sector funds.

It goes without saying that if the Kids Voting Program in Arizona is a success, there is no better investment in the strength, vitality, and future of our democracy than a program that teaches Americans at an early age that voting is a right to be treasured. Encouraging our children to become involved, informed citizens as they reach voting age, will encourage them to cast real ballots at the voting booth later on as adults.

This concurrent resolution urges States and the Federal Election Commission to evaluate the success of Arizona's Kids Voting Program. States are further urged to find additional innovative ways to reverse the trend of declining voter participation and to share their success stories with other States.

This resolution involves no funds and does not mandate any action on the part of anyone or any State. But increasing voter turnout should be one of the top priorities for our country. The Kids Voting Program takes a serious first step in getting Americans out to vote. I urge all of my colleagues from all 50 States to evaluate the success of the Arizona program and to push for the adoption of similar proposals in their own States.

□ 1815

Mr. FRENZEL. Mr. Speaker, further reserving the right to object, the minority on the committee of jurisdiction concurs in the statement of the distinguished majority whip and agrees with its conclusions.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. Further reserving the right to object, Mr. Speaker, I yield to the distinguished gentleman from Arizona.

Mr. RHODES. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I appreciate the very kind words of the gentleman from California. I simply want to observe that this pilot program which is being tested for the first time this year is being done in the First Congressional District of Arizona, in conjunction with many personal friends and the staffs of the Mesa Public Schools, the Tempe Public Schools, and the Chandler Public Schools.

I personally and many of us in Arizona are tremendously excited about this. We did not really expect to attract congressional attention as rapidly as we have. I do appreciate having the resolution, and I appreciate the attention of the gentleman from Minnesota and the gentleman from California. I think we are going to have a great success, and I thank the gentlemen for assisting us.

Mr. UDALL. Mr. Speaker, I rise today in support of Senate Concurrent Resolution 134.

Mr. Speaker, I have often told a tale about an elderly woman who was asked who she intended to support in the fall elections. Her response—"* * * I never vote. It only encourages them"—rings a bit too true.

As a Nation that prides itself on being a participatory democracy, we must recognize that in years past we have fallen far short of that mark.

Mr. Speaker, since 1876 we have not seen a "new birth of liberty." Rather, what we have seen are less and less people voting in our national elections. Currently, nearly 50 percent of those eligible to vote in Presidential elections do not do so. Over 60 percent of our citizens fail to vote in congressional races.

Now, we could fall over ourselves blaming this group or that trend, or we could form a commission or select committee to study why no one wants to take the time to go to the polls and vote for us. But, rather than taking the most complicated, burdensome path before us, let's try something new: simplicity.

Our brethren in Costa Rica have done a pretty darn good job with their experiment in democracy and for some strange reason, folks there don't mind turning out on election day. What's their secret? Well, I imagine, it's a number of things. But one I know is that by the time their children are old enough to vote they know how to get to the polls.

The idea behind the Costa Rican Program—and a new pilot program in Arizona—is that by getting children in the habit of voting at an early age, they no longer look upon voting as a chore of dubious impact, but accept it as their responsibility. It is difficult to argue with the 80 to 90 percent participation rate Costa Ricans enjoy in their national elections.

So I would urge my colleagues to support Senate Concurrent Resolution 134. Let us let our children know—at an early age—that theirs is a rare privilege; not some treasure to be stored up, but a right that needs to be taken out every 2 years and given a good walk.

Mr. FRENZEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 134

Whereas, nearly 50 percent of eligible citizens do not vote in presidential elections, over 60 percent do not vote in congressional elections, and more than 70 percent do not vote in most local elections;

Whereas, 84 percent of young Americans between the ages of 18 and 24 did not vote in the 1986 election, and nonvoting—especially by our young people—undermines the validity of the election mandate and the future of our democratic process;

Whereas, in Costa Rica, Central America's oldest and most stable democracy, 80-90 percent of that country's voting age population regularly turns out for elections—which the former United States ambassador to Costa Rica has described as a "festival of democracy";

Whereas, for more than 40 years Costa Rican children have been permitted to accompany their parents and grandparents to the polls, and for a number of years children have been allowed to cast mock ballots at their schools, the results of this youth "election" being separately counted and publicized;

Whereas, observers credit the high voter turnout in Costa Rican elections in large part to this early exposure of youth to the electoral process, an experience which, they say, assures that democracy in Costa Rica will be safe come the day when these children are old enough for their votes to count;

Whereas, the State of Arizona this year is pioneering an exciting and promising pilot program in American democracy—the first of its kind in the Nation—by adapting and modifying the Costa Rican experience to our electoral system;

Whereas, the Arizona experiment—called Kids Voting—is enthusiastically supported by Arizona business, education, press and government leaders, and citizen volunteers, the Arizona legislature passed overwhelmingly, and Governor Rose Mofford signed into law, legislation permitting children to enter the State's official polling places with their parents and to vote in a simulated general election on November 8, the results to be tabulated and publicized;

Whereas, some 28,000 children in grades 3 through 12 in 6 Arizona school districts and 2 private schools currently are undergoing a special curriculum financed by a private sector grant to prepare them for November 8 including, in the higher grades, instruction on the rights and responsibilities of informed voters, and information on the candidates, offices, and platforms, and on election procedures generally;

Whereas, promoters of Kids Voting describe this historic experiment as "a direct assault on voter apathy" and say it will be a "hands-on lesson in democracy" for those 28,000 school children who, in turn, are ex-

pected to improve the voting habits of their parents by urging them to the polls: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),* That election officials and school administrators in all 50 States and the District of Columbia should assess the results of the Kids Voting program in Arizona this November in terms of increased student awareness of an interest in the political process, that the Federal Election Commission should observe the Kids Voting program and advise the Congress on the success of the program in increasing voter turnout and, if this project does show promise of increasing voter turnout by both present and future voting age citizens, other States should adopt similar innovative programs.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

## AUTHORIZING PRINTING OF STATEMENTS IN TRIBUTE TO THE LATE REPRESENTATIVE HAROLD T. "BIZZ" JOHNSON

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the resolution (H. Res. 444) authorizing the printing of a collection of statements made in tribute to the late Representative Harold. T. "Bizz" Johnson, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

Mr. FRENZEL. Mr. Speaker, reserving the right to object, I do so for the purpose of yielding to the distinguished gentleman from Tennessee so that he might explain the resolution.

Mr. JONES of Tennessee. Mr. Speaker, I thank my colleague, the distinguished gentleman from Minnesota, for yielding.

Mr. Speaker, this resolution authorizes the printing of a collection of statements made in tribute to the late Representative Harold T. "Bizz" Johnson.

Mr. FRENZEL. Mr. Speaker, the minority concurs with the distinguished gentleman from Tennessee [Mr. JONES] and accordingly I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 444

*Resolved,* That there shall be printed as a House document the collection of statements made in tribute to the late Representative Harold T. "Bizz" Johnson and printed in the Congressional Record on April 12, 1988, together with appropriate illustrations and other materials relating to such statements. In addition to the usual number, such number of casebound copies of such document as does not exceed $1,200 in cost shall be printed for the use of the Committee on Public Works and Transportation.

AMENDMENT OFFERED BY MR. JONES OF TENNESSEE

Mr. JONES of Tennessee. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Tennessee: Page 1, line 6, strike out "such number" and all that follows through line 9, and insert in lieu thereof the following: "there shall be printed for the use of the Committee on Public Works and Transportation, the lesser of 300 copies or such number of copies as does not exceed a cost of $1,200.".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Tennessee [Mr. JONES].

The amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## AUTHORIZING PRINTING OF STATEMENTS IN TRIBUTE TO THE LATE REPRESENTATIVE JOHN H. DENT

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the resolution (H. Res. 476) authorizing the printing of a collection of statements made in tribute to the late Representative John H. Dent, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

Mr. FRENZEL. Mr. Speaker, reserving the right to object, I do so in order that I may yield to the gentleman from Tennessee [Mr. JONES] for an explanation of the resolution.

Mr. JONES of Tennessee. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, this resolution authorizes the printing of a collection of statements made in tribute to the late Representative John H. Dent.

Mr. FRENZEL. Mr. Speaker, the minority concurs, and I wish to note that Congressman Dent was a member of our committee whom we held in high affection.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 476

*Resolved,* That there shall be printed as a House document a collection of statements made in tribute to the late Representative John H. Dent, together with appropriate illustrations and other materials relating to such statements. In addition to the usual number, there shall be printed three hundred additional copies, such number of which shall be casebound, at a cost not to exceed $1,200, for the use of the Committee on House Administration.

AMENDMENT OFFERED BY MR. JONES OF TENNESSEE

Mr. JONES of Tennessee. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Tennessee: Page 1, line 5, strike out "three" and all that follows through line 8, and insert in lieu thereof the following: ", for the use of the Committee on House Administration, the lesser of 300 copies or such number of copies as does not exceed a cost of $1,200.".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Tennessee [Mr. JONES].

The amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## PROVIDING FOR EXPENSES OF PROGRAM KNOWN AS UNDERSTANDING CONGRESS: A BICENTENNIAL RESEARCH CONFERENCE

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the resolution (H. Res. 509) providing amounts from the contingent fund of the House of Representatives for certain expenses of the program known as Understanding Congress: A Bicentennial Research Conference, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

Mr. FRENZEL. Mr. Speaker, reserving the right to object, I yield to the distinguished gentleman from Tennessee to explain the resolution.

Mr. JONES of Tennessee. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the House Commission on the Bicentenary, and the Senate Bicentennial Commission, recommended that the Congress convene a conference of scholars next February to further the understanding of the role of the Congress as a branch of Government.

The costs of the conference were estimated at $40,000—$15,000 to be provided by the House, and $15,000 by the other body, and the balance by the Congressional Research Service. The other body authorized its $15,000 share earlier this year when it adopted Senate Resolution 380. This resolution

authorizes the House share, which was included in the legislative branch appropriation bill.

Mr. FRENZEL. Mr. Speaker, further reserving the right to object, the minority has no objection, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 509

*Resolved,* That there shall be paid from the contingent fund of the House of Representatives not more than $15,000 for fees, travel expenses, and per diem for participants in the program known as Understanding Congress: A Bicentennial Research Conference. No amount may be paid under this section with respect to any elected or appointed officer of the United States, any employee of the United States, or any member of a uniformed service.

SEC. 2. The Committee on House Administration shall have authority to prescribe such regulations as may be necessary to carry out this resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the three resolutions that have just been adopted.

The SPEAKER pro tempore. Is there objection. To the request of the gentleman from Tennessee?

There was no objection.

## NATIONAL NEIGHBORHOOD CRIME WATCH DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 294) designating August 9, 1988, as "National Neighborhood Crime Watch Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore (Mr. COELHO). Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, the minority has no objection to this legislation.

However, I do yield to the distinguished gentleman from New Jersey [Mr. HUGHES], the chief sponsor of House Joint Resolution 441.

Mr. HUGHES. Mr. Speaker, I thank the gentlewoman from Maryland for yielding to me.

Mr. Speaker, I rise in support of Senate Joint Resolution 294, the companion bill to House Joint Resolution 441, which seeks to designate today, August 9, 1988, as "National Neighborhood Crime Watch Day."

This resolution is intended to promote public awareness of the growing crime prevention organizations across this country, and their increased effectiveness in fighting crime. The central event of this day will be a "National Night Out," a unique anticrime demonstration in which an estimated 18 million people from 7,000 communities in all 50 States and 11 foreign countries will participate by gathering in front of their homes with their neighbors between 8 p.m. and 10 p.m. tonight in a show of solidarity against crime.

The purpose of the "National Crime Night Out" and its accompanying programs, ceremonies, and activities is to promote several goals, such as: increasing cooperation between community watch programs and their local law enforcement authorities; heightening crime prevention awareness; generating support for and participation in local anticrime programs; strengthening neighborhood spirit in the crime prevention campaign; and sending a message to drug dealers and others in the criminal community that neighborhoods are organized to combat crime.

The National Association of Town Watch, which is coordinating this event, has for many years been a leader in crime prevention awareness. For its past efforts, NATW has received the prestigious National Crime Prevention Award from the National Crime Prevention Coalition and the U.S. Department of Justice. Crime watch organizations such as NATW are assisted in their laudable affairs by the Justice Assistance Act of 1984, and this type of volunteer group conduct is the kind of program that I had in mind when I authored the Justice Assistance Act. They are the focal point for local community participation which is essential for an effective crime watch program.

In my own State, the National Association of Town Watch works closely with the New Jersey Crime Prevention Officers Association to promote neighborhood crime watch organizations and activities. In fact, as a result of their collective efforts, New Jersey is one of the leaders in community participation in the National Night Out. Areas such as Linwood, Egg Harbor Township, Villas and Cape May County, in my district, are helping to make the fight against crime a winning battle by their active participation.

I commend the neighborhood watch groups of this Nation for their efforts to combat crime. Their activities demonstrate the growing effectiveness of crime watch programs and the increased refusal on the part of Americans to allow the fear of crime to rule their everyday lives. It is my hope that the valuable example of these citizens will encourage others to fight crime in their communities.

Mr. Speaker, I urge my colleagues to join me in supporting this important resolution to recognize the efforts of groups like the National Association of Town Watch and other concerned citizens all across this country.

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I associate myself with the remarks of the gentleman from New Jersey [Mr. HUGHES] because indeed our neighborhood crime watches have made a big difference.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 294

Whereas neighborhood crime is of continuing concern to the American people;

Whereas the fight against neighborhood crime requires people to work together in cooperation with law enforcement officials;

Whereas neighborhood crime watch organizations are effective at promoting awareness about, and the participation of volunteers in, crime prevention activities at the local level;

Whereas neighborhood crime watch groups can contribute to the Nation's war on drugs by helping to prevent their communities from becoming markets for drug dealers; and

Whereas citizens across America will soon take part in a "National Night Out", a unique crime prevention event which will demonstrate the importance and effectiveness of community participation in crime prevention efforts by having people spend the period from 8 to 10 o'clock post meridian on August 9, 1988, with their neighbors in front of their homes: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That August 9, 1988, is designated as "National Neighborhood Crime Watch Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## NATIONAL OUTPATIENT AMBULATORY SURGERY WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 583) designating the week beginning September 11, 1988, as "National Outpatient Ambulatory Surgery Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, the minority has no objection to this joint resolution.

Mr. McDADE. Mr. Speaker, I rise today to draw your attention to House Joint Resolution 583 which designates the week of September 11, 1988, as "National Outpatient Ambulatory Surgery Week." I would like to thank Mr. DYMALLY, chairman of the Subcommittee on Census and Population and the ranking minority member of the subcommittee, Mrs. MORELLA, for bringing this measure to the floor.

This legislation recognizes our Nation's growing reliance on outpatient surgery as a cost-effective alternative to overnight hospital stays. Many health care professionals have supported our efforts to recognize this increasingly attractive surgical option, and I am very grateful for their support.

I would like to take this opportunity to express my personal gratitude to Laura Tartaro-McGowan, R.N., at Alexandria Hospital, for her special interest and support of this House joint resolution.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 583

Whereas outpatient surgery currently accounts for one-third of all surgical procedures performed in the United States;

Whereas the use of outpatient surgery has reduced hospital costs while improving the quality of health care;

Whereas Americans are increasingly choosing outpatient surgery over traditional inpatient surgery because it is more convenient, less time consuming, and requires less of a change of lifestyle of patients and their families; and

Whereas the number of outpatient surgical procedures performed in the United States is expected to increase from over 6 million in 1985 to over 11 million in 1995: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the week beginning September 11, 1988, is designated as "National Outpatient Ambulatory Surgery Week." The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## CONFERENCE REPORT ON H.R. 2342, COAST GUARD AUTHORIZATION ACT OF 1988

Mr. HUTTO submitted the following conference report and statement on the bill (H.R. 2342) to authorize appropriations for the Coast Guard for fiscal year 1988, and for other purposes:

CONFERENCE REPORT (H. REPT. 100-855)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 2342), to authorize appropriations for the Coast Guard for fiscal year 1988, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the Senate amendment to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

*SECTION 1. SHORT TITLE.*

*This Act may be cited as the "Coast Guard Authorization Act of 1988".*

*SEC. 2. AUTHORIZATIONS OF APPROPRIATIONS.*

*(a) NECESSARY EXPENSES.—Funds are authorized to be appropriated for necessary expenses of the Coast Guard for fiscal years 1988 and 1989, as follows:*

*(1) OPERATION AND MAINTENANCE.—For operation and maintenance of the Coast Guard, $1,949,813,000 for fiscal year 1988 and $2,100,506,000 for fiscal year 1989.*

*(2) ACQUISITION AND CONSTRUCTION.—For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore and offshore facilities, vessels, and aircraft, including equipment related thereto, $277,893,000 for fiscal year 1988 and $348,000,000 for fiscal year 1989, to remain available until expended.*

*(3) RESEARCH AND DEVELOPMENT.—For research, development, test, and evaluation, $20,119,000 for fiscal year 1988 and $19,000,000 for fiscal year 1989, to remain available until expended.*

*(4) RETIRED PAY AND MEDICAL CARE.—For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and for payments for medical care of retired personnel and their dependents under the Dependents' Medical Care Act, $386,700,000 for fiscal year 1988 and $410,800,000 for fiscal year 1989, to remain available until expended.*

*(5) ALTERATION OR REMOVAL OF BRIDGES.—For alteration or removal of bridges over navigable waters of the United States constituting obstructions to navigation, $8,500,000 for fiscal year 1989.*

*(b) TRANSFER OF FUNDS APPROPRIATED.—If funds for carrying out the purposes described in subsection (a) are appropriated to an officer or agency of the United States other than the Secretary of the department in which the Coast Guard is operating or the Coast Guard, that officer or the head of that agency, respectively, may transfer to the Secretary of the department in which the Coast Guard is operating the full amount of those funds, and that Secretary shall allocate those funds to those purposes.*

*SEC. 3. AUTHORIZED LEVELS OF MILITARY STRENGTH AND MILITARY TRAINING.*

*(a) STRENGTH FOR ACTIVE DUTY PERSONNEL.—The Coast Guard is authorized a strength for active duty personnel of 39,121 for fiscal year 1988 and 39,121 for fiscal year 1989. The authorized strength does not include members of the Coast Guard Ready Reserve ordered to active duty under the authority of section 712 of title 14, United States Code.*

*(b) AVERAGE MILITARY TRAINING STUDENT LOADS.—The Coast Guard is authorized average military training student loads as follows:*

*(1) RECRUIT AND SPECIAL TRAINING.—For recruit and special training, 3,600 student-years for fiscal year 1988 and 3,600 student-years for fiscal year 1989.*

*(2) FLIGHT TRAINING.—For flight training, 132 student-years for fiscal year 1988 and 132 student-years for fiscal year 1989.*

*(3) PROFESSIONAL TRAINING.—For professional training in military and civilian institutions, 430 student-years for fiscal year 1988 and 430 student-years for fiscal year 1989.*

*(4) OFFICER ACQUISITION.—For officer acquisition, 950 student-years for fiscal year 1988 and 950 student-years for fiscal year 1989.*

*SEC. 4. TRANSFER OF AMOUNTS FOR OPERATIONS AND MAINTENANCE.*

*(a) IN GENERAL.— Whenever the Secretary of the department in which the Coast Guard is operating determines it to be in the national interest, the Secretary may transfer not more than 5 percent of the amounts appropriated for fiscal years 1988 and 1989 for the purposes described in section 2(a)(2) to the Commandant of the Coast Guard for discretionary use in meeting unanticipated needs for Coast Guard operation and maintenance.*

*(b) NOTICE TO CONGRESS.—A transfer of amounts under subsection (a) may not be made until 15 days after the Secretary provides to the Committee on Commerce, Science, and Transportation and the Committee on Appropriations of the Senate and to the Committee on Merchant Marine and Fisheries and the Committee on Appropriations of the House of Representatives written notice—*

*(1) describing the proposed transfers;*

*(2) stating the reasons for the determination under subsection (a); and*

*(3) describing the purposes for which the amounts to be transferred will be used.*

*SEC. 5. LIMITATION ON CONTRACTING PERFORMED BY COAST GUARD.*

*(a) MAINTENANCE OF LOGISTICS CAPABILITY.—*

*(1) STATEMENT OF NATIONAL INTEREST.—It is in the national interest for the Coast Guard to maintain a logistics capability (including personnel, equipment, and facilities) to provide a ready and controlled source of technical competence and resources necessary to ensure the effective and timely performance of Coast Guard missions in behalf of the security, safety, and economic and environmental well-being of the United States.*

*(2) SUBMISSION OF LIST OF NECESSARY ACTIVITIES; LIMITATION ON CONTRACTING.—(A) Not later than January 31, of each year, the Secretary of the department in which the Coast Guard is operating shall submit to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Merchant Marine and Fisheries of the House of Representatives a list of Coast Guard activities that are necessary for maintaining the logistics capability described in paragraph (1). If the Secretary does not submit such list by that date, no activity performed by Coast Guard personnel may be contracted for performance by non-Government personnel after that date until the list is submitted to such committees.*

(B) The list submitted by the Secretary under this section shall not include—

(i) any activity that is being performed under contract by non-Government personnel on the date of enactment of this Act; or

(ii) any activity for which the Congress received, prior to the date of the enactment of this Act, a written notification of intent to contract pursuant to section 14(b)(2) of Public Law 98-557 (98 Stat. 2864).

(b) PROHIBITION ON CONTRACTING FOR PERFORMANCE OF LISTED ACTIVITIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), performance by non-Government personnel of an activity included in a list under subsection (a)(2)(A) may not be contracted for after the date on which the list is submitted by the Secretary in accordance with subsection (a)(2).

(2) WAIVER OF PROHIBITION.—The Secretary may waive paragraph (1) with respect to any activity if the Secretary determines that the performance of that activity by Government personnel is no longer necessary to ensure the effective and timely performance of Coast Guard missions.

(3) EFFECTIVE DATE OF WAIVER; SUBMISSION OF STATEMENT.—A waiver under paragraph (2) shall not take effect until after a period of 30 days in which either the Senate or House of Representatives is in session after the Secretary submits to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives a complete written statement concerning the waiver and the reasons therefor.

(c) SUBMISSION OF LIST OF ACTIVITIES CONTRACTED FOR PERFORMANCE.—At least 30 days before the beginning of each fiscal year, the Secretary shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives a list of activities that will be contracted for performance by non-Government personnel under the procedures of Office of Management and Budget Circular A-76 during that fiscal year.

(d) EMPLOYMENT OF LOCAL RESIDENTS TO PERFORM CONTRACTS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, each contract awarded by the Coast Guard in fiscal years 1988 and 1989 for construction or services to be performed in whole or in part in a State which has an unemployment rate in excess of the national average rate of unemployment (as determined by the Secretary of Labor) shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in that State, individuals who are local residents and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills. The Secretary of the department in which the Coast Guard is operating may waive this subsection in the interest of national security or economic efficiency.

(2) LOCAL RESIDENT DEFINED.—As used in this subsection, the term "local resident" means a resident of a State described in paragraph (1), and any individual who commutes daily to a State described in paragraph (1).

SEC. 6. BOAT SAFETY PROGRAM

(a) TRANSFERS TO AND EXPENDITURES FROM BOAT SAFETY ACCOUNT.—

(1) TRANSFERS TO ACCOUNT.—

(A) INCREASE IN MAXIMUM TRANSFER AND MAXIMUM AMOUNT IN ACCOUNT.—Subclauses (I) and (II) of subsection 9503(c)(4)(A)(ii) of the Internal Revenue Code of 1986 (relating to limitations on transfers to and amounts in the Boat Safety Account) are each amended by striking "for Fiscal Year 1987 only and $45,000,000 for each Fiscal Year thereafter" and inserting in lieu thereof "for each of fiscal years 1989 and 1990 and $70,000,000 for each fiscal year thereafter".

(B) TECHNICAL AMENDMENT.—Subparagraph (E) of section 9503(c)(4) of the Internal Revenue Code of 1986 (relating to the amount of payments to the Aquatic Resources Trust Fund) is amended by striking the second sentence.

(2) EXTENSION OF EXPENDITURE AUTHORITY.—Subsection (c) of section 9504 of the Internal Revenue Code of 1986 (relating to expenditures from the Boat Safety Account) is amended—

(A) by striking "before April 1, 1989," and inserting "before April 1, 1994,"; and

(B) by striking "(as in effect on June 1, 1984)" and inserting "(as in effect on October 1, 1988)".

(3) CORRECTION OF CLERICAL ERRORS.—Subclauses (I) and (II) of section 9503(c)(4)(A)(ii) of the Internal Revenue Code of 1986 are each amended—

(A) by striking the quotation marks following "$60,000,000"; and

(B) by striking the semicolon before the period.

(b) BOATING SAFETY PROGRAMS.—

(1) AUTHORIZATION OF CONTRACT SPENDING.—

(A) STATE RECREATIONAL BOATING SAFETY PROGRAM ASSISTANCE.—Subsection (a) of section 13106 of title 46, United States Code (relating to authorization of contract spending for recreational boating safety programs), is amended as follows:

(i) The first sentence of subsection (a) is amended to read as follows: "(1) Subject to paragraph (2), the Secretary may expend in each fiscal year, subject to amounts as are provided in appropriations laws for liquidation of contract authority, an amount equal to ½ of the amount transferred for such fiscal year to the Boat Safety Account under section 9503(c)(4) of the Internal Revenue Code of 1986 (26 U.S.C. 9503(c)(4)).".

(ii) The following is added at the end of subsection (a):

"(2) The Secretary shall use not less than one percent and not more than two percent of the amount appropriated each fiscal year for State recreational boating safety programs under this chapter to pay the costs of investigations, personnel, and activities related to administering those programs.".

(B) CONFORMING AMENDMENT.—Subsection (d) of section 7 of the Coast Guard Authorization Act of 1986 (Public Law 99-640) is repealed.

(2) EXPENDITURES FOR COAST GUARD SERVICES.—Subsection (c) of section 13106 of title 46, United States Code, is amended—

(A) in the first sentence by striking "for Fiscal Year 1987 and one-third for each Fiscal Year thereafter."; and

(B) by inserting after the first sentence the following: "Expenditures for a fiscal year under this subsection shall not exceed expenditures for the fiscal year under subsection (a).".

(3) CLARIFICATION OF MATCHING RESTRICTIONS.—Section 13102(b) is amended in the first sentence by striking "from sources (except" and inserting in lieu thereof "(except amounts from".

(4) TECHNICAL AMENDMENT.—Section 13102(a) of title 46, United States Code, is amended in the first sentence by striking "1954." and inserting in lieu thereof "1986".

(5) TECHNICAL AMENDMENT.—Paragraph (4) of section 13102(a) of title 46, United States Code, is amended to read as follows:

"(4) the program submitted by that State designates a State lead authority or agency that will carry out or coordinate carrying out the State recreational boating safety program supported by financial assistance of the United States Government in that State, including the requirement that the designated State authority or agency submit required reports that are necessary and reasonable to carry out properly and efficiently the program and that are in the form prescribed by the Secretary.".

(6) TECHNICAL AMENDMENT.—Subsection (c) of section 13106 of title 46, United States Code, is amended in the first sentence by striking "1954" and inserting "1986".

(c) SPORT FISH RESTORATION PROGRAMS.—

(1) STATE ALLOCATION OF ASSISTANCE BETWEEN MARINE AND FRESHWATER FISH PROJECTS.—Subsection (b) of the first section of the Act entitled "An Act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes" (64 Stat. 430; 16 U.S.C. 777 et seq.) is amended to read as follows:

"(b) ALLOCATION OF AMOUNTS BY COASTAL STATES BETWEEN MARINE FISH PROJECTS AND FRESHWATER FISH PROJECTS—

"(1) IN GENERAL.—Subject to paragraph (2), each coastal State, to the extent practicable, shall equitably allocate amounts apportioned to such State under this Act between marine fish projects and freshwater fish projects in the same proportion as the estimated number of resident marine anglers and the estimated number of resident freshwater anglers, respectively, bear to the estimated number of all resident anglers in that State.

"(2) PRESERVATION OF FRESHWATER PROJECT ALLOCATION AT 1988 LEVEL.—(A) Subject to subparagraph (B), the amount allocated by a State pursuant to this subsection to freshwater fish projects for each fiscal year shall not be less than the amount allocated by such State to such projects for fiscal year 1988.

"(B) Subparagraph (A) shall not apply to a State with respect to any fiscal year for which the amount apportioned to the State under this Act is less than the amount apportioned to the State under this Act for fiscal year 1988.

"(3) COASTAL STATE DEFINED.—As used in this subsection, the term 'coastal State' means any one of the States of Alabama, Alaska, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Oregon, Rhode Island, South Carolina, Texas, Virginia, and Washington. The term also includes the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.".

(2) STATE USE OF CONTRIBUTIONS.—Such Act is further amended by adding at the end the following:

"SEC. 13. STATE USE OF CONTRIBUTIONS.

"A State may use contributions of funds, real property, materials, and services to carry out an activity under this Act in lieu of payment by the State of the State share of the cost of such activity. Such a State share shall be considered to be paid in an amount equal to the fair market value of any contribution so used.".

(3) EXPENDITURES FROM TRUST FUND.—Paragraph (2) of section 9504(b) of the Internal Revenue Code of 1986 is amended by striking "(as in effect on June 1, 1984)" and inserting "(as in effect on October 1, 1988)".

(d) SURVEY OF FUEL USE BY RECREATIONAL VESSELS.—

(1) IN GENERAL.—The Secretary of Transportation and the Secretary of the Interior shall jointly conduct a survey of—

(A) the number, size, and primary uses of recreational vessels operating on the waters of the United States; and

(B) the amount and types of fuel used by those vessels.

(2) AUTHORIZATION OF CONTRACTS.—The Secretary of Transportation and the Secretary of the Interior may enter into contracts for the performance of a survey pursuant to this subsection.

(3) REPORT.—The Secretary of the Interior and the Secretary of Transportation shall jointly submit a report to the Speaker of the House of Representatives and to the President pro tempore of the Senate which describes the results of the survey conducted pursuant to this section not later than November 15, 1992.

(4) FUNDING.—Activities under this subsection may be carried out—

(A) using amounts available to the Secretary of the Interior for administrative expenses under the Act entitled "An Act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes" (64 Stat. 430; 16 U.S.C. 777 et seq.); and

(B) subject to appropriations, using amounts available to the Secretary of Transportation under section 13106(a)(1) of title 46, United States Code (as amended by this Act).

(e) EFFECTIVE DATE.—This section shall take effect October 1, 1988.

SEC. 7. MANNING REQUIREMENTS FOR MOBILE OFFSHORE DRILLING UNITS.

Section 8301(a)(2) of title 46, United States Code, is amended to read as follows:

"(2) A vessel of at least 1,000 gross tons and propelled by machinery shall have 3 licensed mates, except—

"(A) in the case of a vessel other than a mobile offshore drilling unit, if on a voyage of less than 400 miles from port of departure to port of final destination, the vessel shall have 2 licensed mates; and

"(B) in the case of a mobile offshore drilling unit, the vessel shall have licensed individuals as provided by regulations prescribed by the Secretary under section 8101 of this title.".

SEC. 8. TRANSFER OF COAST GUARD PROPERTY AT LAKE WORTH INLET, FLORIDA.

(a) IN GENERAL.—In exchange for parcels of land, or any buildings or improvements located in and about Lake Worth Inlet in Palm Beach County, Florida, or in exchange for construction, improvements, or services to land or buildings in such area, the Secretary of the department in which the Coast Guard is operating may offer for consideration, and transfer, in whole or in part, any other parcels of land, and any buildings and improvements, located in and about Lake Worth Inlet in Palm Beach County, Florida, which have been held for the use of the Coast Guard. The exact acreage and legal description of the land to be transferred shall be as described in such surveys as may be satisfactory to the Secretary.

(b) PROCEDURE.—Each contracting action under this section shall be conducted in accordance with competitive bidding procedures prescribed by section 2304 of title 10, United States Code. Property may not be exchanged under this section for less than its fair market value or reasonably comparable value in property, construction, improvements, or services.

SEC. 9. COAST GUARD ACADEMY ADVISORY COMMITTEE TERMINATION DATE.

Section 193 of title 14, United States Code, is amended by adding at the end the following new sentence: "The Committee terminates on September 30, 1992.".

SEC. 10. AUTHORITY FOR CIVILIAN AGENTS TO CARRY FIREARMS.

(a) IN GENERAL.—Chapter 5 of title 14, United States Code, is amended by adding at the end the following new section:

"§ 95. Civilian agents authorized to carry firearms

"Under regulations prescribed by the Secretary with the approval of the Attorney General, civilian special agents of the Coast Guard may carry firearms or other appropriate weapons while assigned to official investigative or law enforcement duties.".

(b) CONFORMING AMENDMENT.—The table of sections for such chapter is amended by adding at the end the following new item:

"95. Civilian agents authorized to carry firearms.".

SEC. 11. RELOCATION ASSISTANCE FOR COAST GUARD PERSONNEL.

Section 1013 of the Demonstration Cities Metropolitan Development Act of 1966 (42 U.S.C. 3374) is amended—

(1) in subsection (k) by striking "and (c)" and inserting "(c), and (n)"; and

(2) by adding at the end the following new subsection:

"(n)(1) Assistance under this section shall be provided by the Secretary of Defense with respect to Coast Guard bases and installations ordered to be closed, in whole or in part, after January 1, 1987. Such assistance shall be provided under terms equivalent to those under which assistance is provided under this section for closings of military bases and installations which are under the jurisdiction of the Secretary of Defense.

"(2) The Secretary of the department in which the Coast Guard is operating, if other than the Department of Defense, shall reimburse the Secretary of Defense for expenditures under this section made by the Secretary of Defense with respect to closings of Coast Guard bases and installations ordered when the Coast Guard is not operating as a service in the Navy. The Secretary of Defense and the Secretary of the department in which the Coast Guard is operating shall enter into an agreement under which the Secretary of the department in which the Coast Guard is operating shall carry out such reimbursement.".

SEC. 12. COAST GUARD ACADEMY CADET SERVICE OBLIGATION.

Section 182 of title 14, United States Code, is amended—

(1) by striking the next to the last sentence of subsection (a); and

(2) by striking subsection (b) and inserting in lieu thereof the following new subsections:

"(b) Each cadet shall sign an agreement with respect to the cadet's length of service in the Coast Guard. The agreement shall provide that the cadet agrees to the following:

"(1) That the cadet will complete the course of instruction at the Coast Guard Academy.

"(2) That upon graduation from the Coast Guard Academy the cadet—

"(A) will accept an appointment, if tendered, as a commissioned officer of the Coast Gaurd; and

"(B) will serve on active duty for at least five years immediately after such appointment.

"(3) That if an appointment described in paragraph (2) is not tendered or if the cadet is permitted to resign as a regular officer before the completion of the commissioned service obligation of the cadet, the cadet—

"(A) will accept an appointment as a commissioned officer in the Coast Guard Reserve; and

"(B) will remain in that reserve component until completion of the commissioned service obligation of the cadet.

"(c)(1) The Secretary may transfer to the Coast Guard Reserve, and may order to active duty for such period of time as the Secretary prescribes (but not to exceed four years), a cadet who breaches an agreement under subsection (b). The period of time for which a cadet is ordered to active duty under this paragraph may be determined without regard to section 651(a) of title 10.

"(2) A cadet who is transferred to the Coast Guard Reserve under paragraph (1) shall be transferred in an appropriate enlisted grade or rating, as determined by the Secretary.

"(3) For the purposes of paragraph (1), a cadet shall be considered to have breached an agreement under subsection (b) if the cadet is separated from the Coast Guard Academy under circumstances which the Secretary determines constitute a breach by the cadet of the cadet's agreement to complete the course of instruction at the Coast Guard Academy and accept an appointment as a commissioned officer upon graduation from the Coast Guard Academy.

"(d) The Secretary shall prescribe regulations to carry out this section. Those regulations shall include—

"(1) standards for determining what constitutes, for the purpose of subsection (c), a breach of an agreement under subsection (b);

"(2) procedures for determining whether such a breach has occurred; and

"(3) standards for determining the period of time for which a person may be ordered to serve on active duty under subsection (c).

"(e) In this section, 'commissioned service obligation', with respect to an officer who is a graduate of the Academy, means the period beginning on the date of the officer's appointment as a commissioned officer and ending on the sixth anniversary of such appointment or, at the discretion of the Secretary, any later date up to the eighth anniversary of such appointment.

"(f)(1) This section does not apply to a cadet who is not a citizen or national of the United States.

"(2) In the case of a cadet who is a minor and who has parents or a guardian, the cadet may sign the agreement required by subsection (b) only with the consent of the parent or guardian.".

SEC. 13. RETROACTIVE PAY FOLLOWING ADMINISTRATIVE ERROR.

(a) IN GENERAL.—Chapter 13 of title 14, United States Code, is amended by adding at the end the following new section:

"§ 513. Retroactive payment of pay and allowances delayed by administrative error or oversight

"Under regulations prescribed by the Secretary, the Coast Guard may authorize retroactive payment of pay and allowance, including selective reenlistment bonuses, to enlisted members if entitlement to the pay and allowances was delayed in vesting solely because of an administrative error or oversight.".

(b) CONFORMING AMENDMENT.—The table of sections for such chapter is amended by adding at the end the following new item:

"513. Retroactive payment of pay and allowances delayed by administrative error or oversight.".

SEC. 14. TECHNICAL AMENDMENTS TO INLAND NAVIGATIONAL RULES.

Section 2 of the Inland Navigational Rules Act of 1980 (33 U.S.C. chapter 2001 et seq.) is amended—

(1) by striking "minesweeping" in Rule 3(g)(v) (33 U.S.C. 2003(g)(v)) and inserting in lieu thereof "mineclearance";

(2) by striking "minesweeping" in Rule 27(b) (33 U.S.C. 2027(b)) and inserting in lieu thereof "mineclearance"; and

(3) by striking paragraph (f) of Rule 27 (33 U.S.C. 2027(f)) and inserting in lieu thereof the following:

"(f) A vessel engaged in mineclearance operations shall, in addition to the lights prescribed for a power-driven vessel in Rule 23 or to the lights or shape prescribed for a vessel at anchor in Rule 30, as appropriate, exhibit three all-round green lights or three balls. One of these lights or shapes shall be exhibited near the foremast head and one at each end of the fore yard. These lights or shapes indicate that it is dangerous for another vessel to approach within 1,000 meters of the mineclearance vessel.".

SEC. 15. DEFENSE OF CERTAIN SUITS ARISING OUT OF LEGAL MALPRACTICE.

(a) IN GENERAL.—Section 1054 of title 10, United States Code, is amended—

(1) in subsection (a), by inserting "or within the Coast Guard" after "title 32)"; and

(2) in subsection (g), by striking "or the Secretary of a military department" and inserting in lieu thereof ", the Secretary of a military department, or the Secretary of the department in which the Coast Guard is operating, as appropriate".

(b) AFFECTED CLAIMS.—The amendments made by subsection (a) shall apply only to claims accruing on or after the date of the enactment of this Act, regardless of when the alleged negligent act or omission occurred.

SEC. 16. EXEMPTION FROM GENERAL BRIDGE ACT OF 1946.

(a) WATERS DECLARED NONNAVIGABLE.—The waters described in subsection (b) are declared to be nonnavigable waters of the United States for purposes of the General Bridge Act of 1946 (33 U.S.C. 525 et seq.).

(b) WATERS DESCRIBED.—The waters refered to in subsection (a) are a drainage canal which—

(1) is an unnamed tributary of the creek known as Newton Creek, located at block 641 (formerly designated as block 860) in the city of Camden, New Jersey;

(2) originates at the north bank of Newton Creek approximately 1,200 feet east of the confluence of Newton Creek and the Delaware River; and

(3) terminates at drainage culverts on the west side of Interstate Highway 676.

SEC. 17. CLARIFYING AMENDMENT TO TITLE 14.

Section 2 of title 14, United States Code, is amended by striking "on and under" the first place it appears and inserting in lieu thereof "on, under, and over".

SEC. 18. BRIDGES DEEMED UNREASONABLE OBSTRUCTIONS TO NAVIGATION.

Notwithstanding any other provision of law, each of the following bridges is deemed to be an unreasonable obstruction to navigation:

(1) EAST HANNIBAL, ILLINOIS.—The Mississippi River Railroad Bridge between East Hannibal, Illinois, and Hannibal, Missouri, mile 309.9, Upper Mississippi River.

(2) PASCAGOULA, MISSISSIPPI.—The CSX (L&N) Railroad Bridge in Pascagoula, Mississippi.

SEC. 19. REPORT ON POSSIBLE PROCUREMENT FOR ANTISUBMARINE WARFARE MISSION.

Not later than October 1, 1988, the Secretary of the department in which the Coast Guard is operating shall submit to the Congress a report on the plans to accomplish the Coast Guard's antisubmarine warfare (ASW) mission responsibilities in the Maritime Defense Zone after considering all available options, including those fully developed by the Navy, on how ASW equipment will be installed and used on Coast Guard cutters.

SEC. 20. CLARIFICATION OF MEMBERSHIP OF NATIONAL BOATING SAFETY ADVISORY COUNCIL.

(a) IN GENERAL.—Paragraph (1) of section 13110(b) of title 46, United States Code, is amended by striking "members from" each place it appears and inserting in lieu thereof "representatives of".

(b) IMPLEMENTATION.—The Secretary of the department in which the Coast Guard is operating shall carry out the amendments made by subsection (a) as vacancies in the membership of the National Boating Safety Advisory Council occur.

SEC. 21. DRAWBRIDGE OPENINGS.

Section 5(a) of the Act entitled "An Act Making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved August 18, 1894 (33 U.S.C. 499), is amended by adding at the end the following: "Any rules and regulations made in pursuance of this section shall, to the extent practical and feasible, provide for regularly scheduled openings of drawbridges during seasons of the year, and during times of the day, when scheduled openings would help reduce motor vehicle traffic delays and congestion on roads and highways linked by drawbridges.".

SEC. 22. MOBILE LAW ENFORCEMENT BASE.

The Secretary of the department in which the Coast Guard is operating shall evaluate the advantages and disadvantages of acquisition by the Coast Guard of a mobile semisubmersible law enforcement base. Not later than 3 months after the date of the enactment of this Act, the Secretary shall report the results of such evaluation to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives.

SEC. 23. ICEBREAKER STUDY.

The President shall review existing national needs for polar icebreakers with respect to all appropriate national security, scientific, economic, and environmental interests of the United States. Not later than October 1, 1988, the President shall submit a report on such review to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Merchant Marine and Fisheries of the House of Representatives. Such report may be in the form of an update of the Polar Icebreaker Requirements Study of 1984 and shall include—

(1) an assessment of the number and capabilities of polar icebreaking vessels required in the national interest with respect to national security, scientific, economic, and environmental requirements;

(2) a comparison of the advantages and disadvantages of acquiring polar icebreaking vessels built in whole or in part in foreign shipyards as opposed to acquiring polar icebreaking vessels built in whole or in part in domestic shipyards, including any national security risks and economic costs and benefits;

(3) a comparison of the operational and economic costs and benefits that can be derived from leasing polar icebreaking vessels as opposed to the costs and benefits that can be derived from buying such icebreakers; and

(4) recommendations for such funding and legislation as may be necessary to obtain such polar icebreaking vessels as are needed to meet national requirements.

SEC. 24. TWO-YEAR BUDGET CYCLE FOR COAST GUARD.

(a) OPINION OF CONGRESS.—It is the opinion of the Congress that the programs and activities of the Coast Guard could be more effectively and efficiently planned and managed if funds for the Coast Guard were provided on a 2-year cycle rather than annually.

(b) SUBMISSION OF 2-YEAR BUDGET BY PRESIDENT.—The President shall include in the budget for fiscal year 1990 submitted to the Congress pursuant to section 1105 of title 31, United States Code, a single proposed budget for the Coast Guard for fiscal years 1990 and 1991. Thereafter, the President shall submit a proposed 2-year budget for the Coast Guard every other year.

(c) REPORT.—Not later than October 1, 1988, the Secretary of the department in which the Coast Guard is operating shall submit to the Committee on Commerce, Science, and Transportation and the Committee on Appropriations of the Senate and to the Committee on Merchant Marine and Fisheries and the Committee on Appropriations of the House of Representatives a report containing—

(1) the Secretary's views on the advantages and disadvantages of operating the Coast Guard on a 2-year budget cycle;

(2) the Secretary's plans for converting to a 2-year budget cycle; and

(3) a description of any impediments (statutory or otherwise) to converting the operations of the Coast Guard to a 2-year budget cycle beginning with fiscal year 1990.

SEC. 25. COAST GUARD BUDGET ESTIMATES.

Section 663 of title 14, United States Code, is amended by adding at the end the following new sentence: "Not later than 30 days after the date on which the President submits to the Congress a budget under section 1105 of title 31 which includes a proposed 2-year budget for the Coast Guard, the Secretary shall submit to the Committee on Commerce, Science, and Transportation and the Committee on Appropriations of the Senate, and to the Committee on Merchant Marine and Fisheries and the Committee on Appropriations of the House of Representatives, detailed Coast Guard budget estimates for the fiscal years covered by such proposed 2-year budget.".

SEC. 26. CONSTRUCTION OF CERTAIN VESSELS.

(a) IN GENERAL.—Chapter 17 of title 14, United States Code, is amended by adding at the end the following:

"§ 665. Restriction on construction of vessels in foreign shipyards

"(a) Except as provided in subsection (b), no Coast Guard vessel, and no major component of the hull or superstructure of a Coast Guard vessel, may be constructed in a foreign shipyard.

"(b) The President may authorize exceptions to the prohibition in subsection (a) when the President determines that it is in the national security interest of the United States to do so. The President shall transmit notice to Congress of any such determination, and no contract may be made pursu-

*ant to the exception authorized until the end of the 30-day period beginning on the date the notice of such determination is received by Congress.".*

*(b) CONFORMING AMENDMENT.—The analysis of chapter 17 of title 14, United States Code, is amended by adding at the end the following:*

*"665. Restriction on construction of vessels in foreign shipyards.".*

*SEC. 27. HELICOPTER PRESENCE IN CHARLESTON, SOUTH CAROLINA.*

*(a) ESTABLISHMENT OF HELICOPTER PRESENCE.—Not later than three months after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall have initiated action to establish a full-time permanent base at Charleston, South Carolina, for the operation of at least one HH-65 short-range recovery helicopter, together with necessary support and operational personnel. The establishment of this base shall be completed in 24 months. The Secretary shall ensure that establishing and maintaining this base shall not result in a relocation of helicopters assigned to a Coast Guard air station as of July 13, 1988.*

*(b) AUTHORIZATION OF APPROPRIATIONS.—In addition to the funds authorized to be appropriated under section 2 of this Act, $10,000,000 is authorized to be appropriated for fiscal year 1989 to establish and operate the Charleston, South Carolina, helicopter presence.*

*SEC. 28. GRANT OF RIGHT OF FIRST REFUSAL TO GRAND HAVEN, MICHIGAN, TO CERTAIN PROPERTY USED BY THE COAST GUARD.*

*(a) RIGHT OF FIRST REFUSAL.—The Secretary of the department in which the Coast Guard is operating shall transfer without consideration to the city of Grand Haven, Michigan, the right that, if the Coast Guard ceases to use the property described in subsection (c)(1) as a Coast Guard facility or such property is determined to be excess, the city of Grand Haven shall have the first opportunity to purchase the property described in subsection (c)(1).*

*(b) PURCHASE PRICE OF PROPERTY.—The right referred to in subsection (a) shall provide that the property may be purchased by the city of Grand Haven, Michigan, for fair market value less—*

*(1) 2/3 of the difference between—*

*(A) the appraised value of the property described in subsection (c)(1) after improvements are made but before occupancy by the Coast Guard, and*

*(B) the appraised value of the property described in subsection (c)(1), determined as of the date such property was first acquired by the United States for use by the Coast Guard but before the Coast Guard takes occupancy; less*

*(2) the difference between—*

*(A) the appraised value of the property described in subsection (c)(1), determined as of the date the property was first acquired for the use of the Coast Guard, and*

*(B) the appraised value of the property described in subsection (c)(2), determined as of the date the property was transferred by the United States to the city of Grand Haven, Michigan.*

*(c) DESCRIPTION OF PROPERTY.—*

*(1) PROPERTY USED AS COAST GUARD FACILITY.—The property referred to in subsections (a), (b)(1)(A) and (B), and (b)(2)(A) is that property known as the old Board of Light and Power office and service operations facility, located at 650 Harbor Avenue, Grand Haven, Michigan.*

*(2) OTHER PROPERTY.—The property referred to in subsection (b)(2)(B) is that property in the city of Grand Haven, Michigan, more particularly described as: That part of Government Lot 3 in section 19, town 8 north, range 16 West, described as beginning at a point called "A" located as follows: Commence on the east line of said section 19, 2,290.35 feet south of the east quarter corner of said section, thence west 663.04 feet, thence south 2 degrees west 197.00 feet to point of beginning "A", thence south 63 degrees 45 minutes west 200.00 feet, thence south 26 degrees 15 minutes east 200.00 feet to the north pier on the Grand River, thence north 63 degrees 45 minutes east 250.00 feet along such pier line, thence north 23 degrees 20 minutes west to a point 61.05 feet north 63 degrees 45 minutes east of Point "A", thence south 63 degrees 45 minutes west to the point of beginning, called "A", also known and sometimes described as Tax Parcel No. 70-03-19-42-015, being located in the southeast quarter of said section 19, town 8 north, range 16 west, bounded on the southerly boundary thereof by the waters of the Grand River, and bounded on the northerly edge thereof by "Main Street" in the city of Grand Haven.*

*SEC. 29. ASSISTANCE TO FILM PRODUCERS.*

*(a) IN GENERAL.—Title 14, United States Code, is amended by inserting after section 658 the following:*

*"§ 659. Assistance to film producers*

*"(a) Notwithstanding any other provision of law, when the Secretary determines that it is appropriate, and that it will not interfere with Coast Guard missions, the Secretary may conduct operations with Coast Guard vessels, aircraft, facilities, or personnel, in such a way as to give assistance to film producers. As used in this section, 'film producers' includes commercial or noncommercial producers of material for cinema, television, or videotape.*

*"(b) The Secretary shall keep account of costs incurred as a result of providing assistance to film producers, not including costs which would otherwise be incurred in Coast Guard operations or training, or shall estimate such costs in advance, and such costs shall be paid to the Secretary by the film producers who request such assistance, on terms determined by the Secretary. The Secretary may waive costs not exceeding $200 for one production, and may waive other costs related to noncommercial productions which the Secretary determines to be in the public interest. The Secretary shall reimburse the amounts collected under this section to the Coast Guard appropriation account under which the costs were incurred.".*

*(b) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 17 of title 14, United States Code, is amended by inserting after the item relating to section 658 the following:*

*"659. Assistance to film producers.".*

*SEC. 30. USE OF COAST GUARD AUXILIARY FOR NONEMERGENCY ASSISTANCE.*

*(a) IN GENERAL.—Section 88(b) of title 14, United States Code, is amended—*

*(1) by striking "The Coast Guard" and inserting in lieu thereof "(1) Subject to paragraph (2), the Coast Guard"; and*

*(2) by adding at the end the following:*

*"(2) The Commandant shall make full use of all available and qualified resources, including the Coast Guard Auxiliary and individuals licensed by the Secretary pursuant to section 8904(b) of title 46, United States Code, in rendering aid under this subsection in nonemergency cases.".*

*(b) CONFORMING AMENDMENT.—Section 113 of the Coast Guard Authorization Act of 1982 (14 U.S.C. 88 note) is amended by inserting "(other than by the Coast Guard Auxiliary)" after "interference".*

And the House agreed to the same.

WALTER B. JONES,
EARL HUTTO,
GERRY E. STUDDS,
BOB DAVIS,
DON YOUNG,

As additional conferees from the House Committee on Ways and Means and the Senate Committee on Finance, for consideration of section 6 of the House amendment, and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
J.J. PICKLE,
BILL ARCHER,
GUY VANDER JAGT,

*Managers on the Part of the House.*

FRITZ HOLLINGS,
JOHN F. KERRY,
JOHN C. DANFORTH,
LLOYD BENTSEN,
SPARK M. MATSUNAGA,
BOB PACKWOOD,

*Managers on the Part of the Senate.*

## JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two bodies on the Amendment of the House to the Senate Amendment to the Bill H.R. 2342, to authorize appropriations for the Coast Guard for fiscal year 1988 and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House agreed to the Senate amendment, with a House amendment thereto, which struck out all after the enacting clause and inserted a substitute text. The Senate recedes from its disagreement to the amendment of the House, with an amendment that is a substitute for the House amendment. The differences between the House bill and the Senate amendment and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the managers, and minor drafting and clarifying changes.

### SECTION 1—SHORT TITLE

The House and Senate are in accord with the necessary date change from 1987 to 1988.

### SECTION 2—AUTHORIZATION OF APPROPRIATIONS

The House recedes to the Senate on the Senate language format of subsection (a) with the inclusion of the Administration's requested dollar amounts for fiscal years 1988 and 1989. The Senate agreed to recede to the House on the inclusion of subsection (b), thereby providing authority for the transfer of funds from an officer or agency to which funds had been appropriated for Coast Guard purposes, to the Secretary of the department in which the Coast Guard is operating.

SECTION 3—AUTHORIZED LEVELS OF MILITARY STRENGTH AND MILITARY TRAINING

The House and Senate agree to mutually acceptable language specifying for both of fiscal years 1988 and 1989: a strength for active duty personnel of 39,121, 3,600 student-years for recruit and special training, 132 student-years for flight training, 430 student-years for professional training in military and civilian institutions, and 950 student-years for officer acquisition.

SECTION 4—TRANSFER OF AMOUNTS FOR OPERATIONS AND MAINTENANCE

The Senate had no similar provision and recedes to the House.

SECTION 5—LIMITATION ON CONTRACTING PERFORMED BY THE COAST GUARD

The Senate had no similar provision and recedes to the House. The Conference agreed to language in section (d)(2) to define a "local resident" for purposes of this section to mean a resident of a state described in section (d)(1) or an individual who commutes daily to that state. By this language the conferees intend to prohibit a Coast Guard contractor from subverting the purpose of this section by employing individuals who are temporary residents of a state only for the purpose and duration of fulfilling a Coast Guard contract.

SECTION 6—BOAT SAFETY PROGRAM

The House bill had a provision which altered the statutorily defined limit on the amount of gas tax revenues transferred into, and the funds authorized to be appropriated from, the Boat Safety Account by increasing the amount from $45,000,000 to $60,000,000 for fiscal year 1988 only. The Senate bill had no comparable provision. The Senate agrees to the House provision with an amendment thereto which serves to reauthorize transfers to and expenditures from the Boat Safety Account of the Aquatic Resources Trust Fund. The amendment is similar to H.R. 3918, the report for which, House Report 100-786, was filed on July 26, 1988, except for several minor changes. These include changing the date for the completion of the fuel study from October 1, 1991, to November 15, 1992, and several minor technical changes.

SECTION 7—MANNING REQUIREMENTS FOR MOBIL OFFSHORE DRILLING UNITS

The Senate had no similar provision and recedes to the House.

SECTION 8—TRANSFER OF PROPERTY AT LAKE WORTH INLET, FLORIDA

The Senate had no similar provision and recedes to the House position with a slight change in the language. The change reflects the fact that the new property has already been purchased due to a need to exercise the purchase option by December 15, 1988. Therefore, this section authorizes the Secretary of the department in which the Coast Guard is operating to exchange land or buildings at Lake Worth Inlet, Florida for construction, improvements, or services to Coast Guard land or buildings in that area.

SECTION 9—COAST GUARD ACADEMY ADVISORY COMMITTEE TERMINATION

The Senate had no similar provision and recedes to the House.

SECTION 10—AUTHORITY FOR CIVILIAN AGENTS TO CARRY FIREARMS

The Senate had no similar provision and recedes to the House.

SECTION 11—RELOCATION ASSISTANCE

Both the Senate and the House versions contained provisions dealing with this topic. The conferees agree on mutually acceptable language. The agreed upon language in this section adds a new subsection to section 1013 of the Demonstration Cities Metropolitan Development Act of 1966 (42 U.S.C. 3374) to include service members and federal employees who are affected by Coast Guard closures or reductions in the same homeowner's assistance program provided for service members and federal employees who are affected by Department of Defense closures or reductions. As the result of a base closure or major reduction of operations at a Coast Guard facility, residential property values in the local area may be adversely affected. The service member or federal employee who must relocate bears the unusual burden of trying to sell a home in a temporarily depressed real estate market. At present, members or employees of bases or installations ordered closed by the Department of Defense are aided by the homeowner's assistance program authorized under the Demonstration Cities Metropolitan Development Act. However, this program does not currently apply to bases or installations closed by the Coast Guard. This section applies with respect to Coast Guard bases and installations ordered to be closed, in whole or in part, after January 1, 1987. It is intended to include all members affected by the Coast Guard's realignment of support functions that began in January 1987.

SECTION 12—COAST GUARD ACADEMY SERVICE OBLIGATION

The Senate had no similar provision and recedes to the House.

SECTION 13—RETROACTIVE PAY FOLLOWING ADMINISTRATIVE ERROR

The Senate had no similar provision and recedes to the House.

SECTION 14—TECHNICAL AMENDMENTS TO INLAND NAVIGATIONAL RULES

Both the Senate and the House contained provisions in their respective versions of the bill dealing with this issue. The Senate recedes to the House.

SECTION 15—DEFENSE OF CERTAIN SUITS ARISING OUT OF LEGAL MALPRACTICE

Both the Senate and the House contained provisions in their respective versions of the bill dealing with this issue. The Senate recedes to the House.

SENATE 16—EXEMPTION FROM GENERAL BRIDGE ACT OF 1946

Both the Senate and the House contained provisions in their respective versions of the bill dealing with this issue. The Senate recedes to the House.

SENATE 17—CLARIFYING AMENDMENTS TO TITLE 14

The Senate had no similar provision and recedes to the House. The effect of this section is to amend Section 2 of Title 14, U.S. Code, to state that primary duties of the Coast Guard include the enforcement of laws over, as well as on and under, the high seas and waters subject to the jurisdiction of the United States. It is intended to be consistent with the Memorandum of Understanding between the U.S. Coast Guard and the U.S. Customs Service signed May 11, 1987, and approved by the National Drug Policy Board.

SECTION 18—BRIDGE DEEMED UNREASONABLE OBSTRUCTION TO NAVIGATION

The House version contained language which deemed the Mississippi River Railroad Bridge at Hannibal, Missouri to be an unreasonable obstruction to navigation. The Senate version did not contain a similar provision. The Senate agrees to the House position with an amendment designating the CSX (L&N) Railroad Bridge at Pascagoula, Mississippi an unreasonable obstruction to navigation.

SECTION 19—REPORT ON POSSIBLE PROCUREMENT FOR ANTISUBMARINE WARFARE MISSION

The House version required the Secretary of the department in which the Coast Guard is operating to submit to Congress a report on the plans of the Coast Guard to fulfill its responsibilities under the Maritime Defense Zone agreement through the procurement of antisubmarine warfare equipment. The Senate version did not contain comparable language. The Senate recedes to the House with an agreed upon change that requires the Secretary to consider all available options, including those fully developed by the Navy, on how antisubmarine warfare equipment will be installed and used on Coast Guard cutters.

SECTION 20—CLARIFICATION OF MEMBERSHIP OF THE NATIONAL BOATING SAFETY ADVISORY COUNCIL

The Senate has no similar provision and recedes to the House.

SECTION 21—DRAWBRIDGE OPENINGS

The Senate had no similar provision and recedes to the House.

SECTION 22—MOBILE LAW ENFORCEMENT BASE

Both the Senate and the House versions of the bill contained the same language with regard to this section and, as such, they are in accord.

SECTION 23—ICEBREAKER STUDY

Both the Senate and the House versions contained language in this regard. The Senate recedes to the House with the exception that subsection (2) of the Senate version, requiring a comparison of the advantages and disadvantages of acquiring polar icebreakers built in whole or in part in foreign shipyards, becomes subsection (2) of the compromise and that subsections (2) and (3) of the House version are renumbered accordingly.

SECTION 24—TWO-YEAR BUDGET CYCLE FOR COAST GUARD

The Senate had no similar provision and recedes to the House.

SECTION 25—COAST GUARD BUDGET ESTIMATES

The Senate had no similar provision and recedes to the House

SECTION 26—CONSTRUCTION OF CERTAIN VESSELS

Both the Senate and House versions of the bill contained language regarding this area of concern. The House recedes to the Senate in requiring that no Coast Guard vessel, and no major component of the hull or superstructure of a Coast Guard vessel, may be constructed in a foreign shipyard. The section authorizes exceptions to the restrictions only when the President determines that such would be in the interest of national security.

SECTION 27—HELICOPTER PRESENCE IN CHARLESTON, SOUTH CAROLINA

This section requires the establishment of a full-time, permanent helicopter base at Charleston, South Carolina, not later than two years after the date of the bill's enactment into law.

South Carolina has a rapidly growing coastal population and Charleston is one of the top five strategic ports in the nation. This base will ensure that a Coast Guard

helicopter is available to provide assistance for lifesaving purposes or in connection with port security, drug interdiction, and coastal defense activities. Helicopters shall be provided to the Charleston base so as not to result in the relocation of helicopters assigned to Coast Guard air stations as of July 13, 1988.

Subsection (b) authorizes appropriations of $10 million for fiscal year 1989 to establish and operate the Charleston helicopter base. These funds are in addition to the funds authorized under Section 2 of this Act.

SECTION 28—GRANT OF RIGHT OF FIRST REFUSAL TO GRAND HAVEN, MICHIGAN, TO CERTAIN PROPERTY USED BY THE COAST GUARD

The House and the Senate agree to mutually acceptable language. The Conference agreed to language to give the City of Grand Haven, Michigan, the first opportunity to purchase property described in section (c)(1) if the Coast Guard vacates the property or if the property is determined to be excess to the Coast Guard. The Coast Guard recently vacated its facility in Grand Haven because shoreline erosion made the facility unsuitable. The City of Grand Haven exchanged property, known as the old Board of Light and Power Office, for the facility the Coast Guard vacated, and also made improvements to the Board of Light and Power Office requested by the Coast Guard. The assessed value of the old Board of Light and Power Office is higher than the vacated Coast Guard property the City of Grand Haven received in the exchange. In addition to the right of first refusal, this section provides a formula to establish the cost of the old Board of Light and Power property, based on fair market value, should the City of Grand Haven exercise its right to purchase the property if and when the Coast Guard vacates that property.

SECTION 29—ASSISTANCE TO FILM PRODUCERS

The Senate and the House agree to mutually acceptable language which provides that when the Secretary of the department in which the Coast Guard is operating determines that it is appropriate and will not interfere with Coast Guard missions, the Secretary may give assistance to film producers, whether they be commercial or noncommercial producers of material for cinema, television, or videotape.

In doing so, the Secretary shall keep account of the costs incurred in providing such assistance, or shall estimate such costs in advance, and such costs shall be paid for by the film producers who request such assistance. Furthermore, the provision requires that the Secretary reimburse the amounts collected under this section to the Coast Guard appropriation account under which the costs were incurred.

SECTION 30—USE OF COAST GUARD AUXILIARY FOR NONEMERGENCY ASSISTANCE

This section directs the Coast Guard to utilize all qualified resources to render nonemergency assistance to individuals on the water.

The Coast Guard Authorization Act of 1982 directed the Commandant of the Coast Guard to "review Coast Guard policies and procedures for towing and salvage of disabled vessels in order to further minimize the possibility of Coast Guard competition or interference with private towing activities or other commercial enterprise." (P.L. 97-322, Title I, Section 113, October 15, 1982). That review was directed because of Congressional concern that already scarce Coast Guard resources were being used unnecessarily to render nonemergency assistance to disabled vessels which could be adequately performed by the private sector. Section 113 of P.L. 97-322 was designed to bring about "stricter adherence by the Coast Guard to its official policy of not interfering unnecessarily with private companies in the provision of towing services to vessels stranded in other than emergency conditions." (H. Rept. 97-563, Part 1, page 28, May 17, 1982).

The conferees intend that nonemergency assistance operations by regular Coast Guard units should continue to be conducted in a manner that minimizes competition with private towing and salvage operations.

Following passage of the 1982 Authorization bill, the Coast Guard implemented nonemergency assistance policies that had the effect of precluding participation by Coast Guard Auxiliary members in virtually all nonemergency assistance cases to the same extent that regular Coast Guard resources have been limited. This has led to a loss of important volunteer services that was neither desirable nor intended when Section 113 was enacted. The Coast Guard Auxiliary should not be considered as part of the Coast Guard in the context of Section 113 of P.L. 97-322.

The Coast Guard has recently refined its nonemergency assistance policy in an attempt to strike a balance between the needs of commercial and volunteer interests, while still providing the highest level of safety services to the boating public. The conferees believe that such a balance is desirable and that the refined policy should be given a chance to work. Section 30 of the bill does not mandate a change in the current nonemergency assistance policy, nor does it preclude further changes in the policy that may be deemed necessary or appropriate by the Coast Guard in its continuing efforts to secure the safety of the boating public.

WALTER B. JONES,
EARL HUTTO,
GERRY E. STUDDS,
BOB DAVIS,
DON YOUNG,

As additional conferees from the House Committee on Ways and Means and the Senate Committee on Finance, for consideration of section 6 of the House amendment, and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
J.J. PICKLE,
BILL ARCHER,
GUY VANDER JAGT,

*Managers on the Part of the House.*

FRITZ HOLLINGS,
JOHN F. KERRY,
JOHN C. DANFORTH,
LLOYD BENTSEN,
SPARK M. MATSUNAGA,
BOB PACKWOOD,

*Managers on the Part of the Senate.*

## REQUEST TO MAKE IN ORDER ON WEDNESDAY, AUGUST 10, 1988 OR ANY DAY THEREAFTER CONFERENCE REPORT ON H.R. 2342, COAST GUARD AUTHORIZATION ACT OF 1988

Mr. HUTTO. Mr. Speaker, I ask unanimous consent that it may be in order on Wednesday, August 10, 1988, or any day thereafter, to call up the conference report on the bill (H.R. 2342) to authorize appropriations for the Coast Guard for fiscal year 1988 and for other purposes, and that all points of order against the conference report and against its consideration be waived, and that the conference report be considered as read when called up.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

□ 1830

Mrs. MORELLA. Mr. Speaker, reserving the right to object, the minority side has a few problems with this particular resolution.

Is the gentleman from Florida [Mr. HUTTO] aware of it?

Mr. HUTTO. Mr. Speaker, if the gentlewoman from Maryland will yield, no, I was not aware of it.

Mrs. MORELLA. Mr. Speaker, will the gentleman from Florida withhold?

The SPEAKER pro tempore (Mr. COELHO). The gentleman from Florida [Mr. HUTTO] may withdraw his request.

Mr. HUTTO. Mr. Speaker, I will withdraw my request.

The SPEAKER pro tempore. The request is withdrawn.

## DRUM AND BUGLE CORPS RECOGNITION DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 342), to designate August 20, 1988, as "Drum and Bugle Corps Recognition Day," and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, the minority has no objection to the legislation now being considered.

Mr. McCLOSKEY. Mr. Speaker, I rise today in strong support of House Joint Resolution 342, a bill to designate August 20, 1988, as "Drum and Bugle Corps Recognition Day."

Drum and bugle corps began 75 years ago as youth marching units of the American Legion, Veterans of Foreign Wars, and neighborhood youth centers. Today, drum corps is considered a competitive team sport which uses music and marching as vehicles to compete. There are over 400 corps in existence in the United States and Canada with others located in Great Britain, Holland, Germany, and Japan.

The Drum and Bugle Corps International Federation, a tax-exempt corporation organized to assist all drum and bugle corps, is based in my hometown of Bloomington, IN. Charles Webb, dean of the Indiana University School of Music, is president of the International Federation.

In addition, the "Star of Indiana," the official drum and bugle corps for the State of Indiana, is also based in Bloomington. The "Star of Indiana" was founded just a few years ago and has never finished out of the top 12 teams in worldwide competition.

Mr. Speaker, I believe the passage of this resolution would be a fitting tribute to the young men and women who participate in drum and bugle corps competition, and I urge my colleagues to vote in favor of House Joint Resolution 342.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 342

Whereas the American public has for more than seventy-five years enjoyed the music and performances of drum and bugle corps;

Whereas more than a million young musicians have participated and enjoyed this unique commitment;

Whereas the support for this unique form of musical presentation has its roots with the Veterans of Foreign Wars and American Legion;

Whereas since 1972 Drum Corps International has elevated this form of musical entertainment to its present popularity;

Whereas the reputation of the drum and bugle corps has been enhanced as both innovative and trend setting since the formation of Drum Corps International; and

Whereas countless opportunities are available throughout the United States of American for participation by musicians, parents, friends, and support organizations: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That August 20, 1988, is designated "Drum and Bugle Corps Recognition Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## NATIONAL SEWING MONTH

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 580) to designate the month of September 1988 as "National Sewing Month," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I rise in support of this resolution.

Mr. Speaker, I would like to thank all our colleagues who have cosponsored House Joint Resolution 580.

This bill recognizes the importance of home sewing to our economy—the sewing industry reaches over 90 million people who sew at home and over 40 million people who sew part of their wardrobe.

The home sewing industry contributes significantly to the economic life of our country. It employs thousands of people directly in the manufacture, wholesale, retail, and service sectors. Thousands more are involved as teachers, mechanics, truck drivers, contractors, and ancillary professionals. The industry generates over $3.5 billion in sales annually and invests millions of dollars of capital in plants and machinery.

Each congressional district has individuals who are interested in sewing at home. For most, home sewing remains oriented to the home and family. For generations, the fundamentals of home sewing have been learned in the family and in the home economic classes in elementary and secondary schools. The enjoyment of sewing often begins in the seventh and eighth grades and then continues in the 4-H Clubs, the Scouting programs, American Sewing Guild chapters, the Future Homemakers of America and many other organizations. And, for many, acquired sewing skills have led to a valuable and creative career in fashion design, retail merchandising, interior design, patternmaking, and textiles.

Passage of House Joint Resolution 580 will enable an industrywide promotion designed to increase: Participation in home sewing by families, consumer education, and an effort to revitalize the spirit and enjoyment of sewing in America. It will honor millions of people who sew at home. It will also help to promote and instill American hand-made products and American textiles. Community groups such as the 4-H Clubs, Future Homemakers of America, Girl Scouts, and home economics teachers will join home sewing associations in this endeavor to promote sewing.

Congress passed similar resolutions designating September as "National Sewing Month" for 4 consecutive years from 1982 to 1985.

Again, Mr. Speaker, I would like to thank the cosponsors of House Joint Resolution 580 and urge swift passage of the joint resolution.

Mr. DYMALLY. Mr. Speaker, if the gentlewoman will yield, I note with a great deal of pride that my daughter sews her own clothes, and from time to time as I travel overseas, of course on business, I usually take the opportunity to buy a piece of cloth. I have brought cloth back from Asia, Africa, and Europe, and it looks good on her body, but it also feels better in my pocket. I am very pleased that she sews to occupy her time, and it is a good avocation I am very proud of the work she does.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 580

Whereas the sewing industry annually honors the approximately ninety million people who sew at home and the approximately forty million people who sew at least part of their wardrobe;

Whereas the home sewing industry generates over $3,500,000,000 annually for the economy of the United States; and

Whereas innumerable careers in fashion, retail merchandising, design, pattern making, and textiles have had their beginnings in the home and in elementary school home economics: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the month of September 1988 is designated "National Sewing Month", and the President is requested to issue a proclamation calling upon the people of the United States to observe that month with appropriate ceremonies and activities.

The joint resolution was order to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## NATIONAL DRIVE FOR LIFE WEEKEND

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 592) designating Labor Day weekend, September 3-5, 1988, as "National Drive for Life Weekend," and for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, the minority has no objection to this legislation, and it gives me pleasure to yield to the gentleman from California [Mr. DYMALLY], the chairman of our subcommittee who is the prime sponsor of House Joint Resolution 592.

Mr. DYMALLY. Mr. Speaker, I thank the gentlewoman from Maryland very much for yielding.

Mr. Speaker, I am pleased to be this year's sponsor of "National Drive for Life Weekend," September 3-5, 1988, House Joint Resolution 592, which has received overwhelming bipartisan support of over 225 cosponsors in less than a month.

Today's passage of Senate Joint Resolution 350 in the House, demonstrates the overwhelming support of Congress to the "Drive for Life" campaign, sponsored by Mothers Against Drunk Driving [MADD].

Mr. Speaker, I would like to take this opportunity to commend MADD for their impressive showmanship in effectively organizing grassroots support for the bill.

This organization has done a tremendous job in demonstrating their commitment to a national public awareness program aimed at educating the American public on the dangers of drunk driving.

I would like to mention that the overall goal of the Drive for Life campaign is to reduce the number of alcohol-related car crashes in the United States—crashes that on an average day take the lives of 66 men, women, and children.

This year, the challenge will be great because of the campaign's focus on the Labor Day weekend, a time when the incidence of alcohol-related crashes traditionally runs 10 percent above the average.

By declaring September 3-5 as "National Drive for Life Weekend," it is the shared hope of Congress that this resolution will assist the campaign's effort to reduce the number of deaths related to drunk driving during this Labor Day weekend.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I think it is very important that we have this resolution at this time because, as was mentioned, driving and drunk driving is at its peak around the Labor Day weekend, and I think it is very appropriate that we all become very cautious and remember our responsibilities, not only to ourselves but to others, by this commemoration of National Drive for Life Weekend.

So, Mr. Speaker, I commend the chairman of the committee, the gentleman from California [Mr. DYMALLY], for introducing this legislation and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows.

H.J. RES. 592

Whereas drunk-driving is the most frequently committed crime in the United States, with arrests for driving while intoxicated totalling more than three times the number of arrests for all violent crimes combined.

Whereas one individual in the United States was killed every 22 minutes in a drunk-driving related crash in 1987, an average of 65 individuals each day;

Whereas approximately 23,632 individuals were killed in the United States in drunk-driving related crashes in 1987;

Whereas two out of every five individuals in the United States will be involved in a drunk-driving related crash at some point in their lives;

Whereas the estimates of the economic costs of drunk-driving in the United States are as high as $24 billion;

Whereas on October 24, 1987, Mothers Against Drunk Driving and Volkswagen United States, Inc., sponsored the first annual National Drive for Life day;

Whereas Drive for Life is a public awareness campaign which asks all Americans to pledge not to drink and drive on the Drive for Life day and thereby demonstrate a commitment to reduce significantly the tragedies of drunk-driving, and which serves to educate the public about the dangers of drunk-driving;

Whereas on the first annual National Drive for Life day, the toll of individuals killed in drunk-driving related crashes in the United States was 27.5 percent lower than the average number of deaths due to drunk-driving related crashes on an average Autumn Saturday in 1986, reflecting the success of this campaign;

Whereas the first annual National Drive for Life campaign featured endorsements from Nancy Reagan and other prominent public officials; and

Whereas the second annual National Drive for Life day will occur on September 3, 1988, the Saturday of the Labor Day Weekend, when drunk-driving related crashes are traditionally at their peak; Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Labor Day Weekend beginning on September 3, 1988, is designated as "National Drive for Life Weekend". The President is authorized and requested to issue a proclamation calling on the people of the United States to observe that weekend with a pledge to not drink and drive and other appropriate activities.

The joint resolution was ordered to be, engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 350) designating Labor Day weekend, September 3-5, 1988, as "National Drive for Life Weekend", and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, the minority has no objection to this joint resolution.

Mr. Speaker, I, therefore, withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 350

Whereas drunk-driving is the most frequently committed crime in the United States, with arrests for driving while intoxicated totalling more than three times the number of arrests for all violent crimes combined;

Whereas one individual in the United States was killed every 22 minutes in a drunk-driving related crash in 1987, an average of 65 individuals each day;

Whereas approximately 23,632 individuals were killed in the United States in drunk-driving related crashes in 1987;

Whereas two out every five individuals in the United States will be involved in a drunk-driving related crash at some point in their lives;

Whereas the estimates of the economic costs of drunk-driving in the United States are as high as $24 billion;

Whereas on October 24, 1987, Mothers Against Drunk Driving and Volkswagen United States, Inc., sponsored the first annual National Drive for Life day;

Whereas Drive for Life is a public awareness campaign which asks all Americans to pledge not to drink and drive on the National Drive for Life day and thereby demonstrate a commitment to reduce significantly the tragedies of drunk-driving, and which serves to educate the public about the dangers of drunk-driving;

Whereas on the first annual National Drive for Life day, the toll of individuals killed in drunk-driving related crashes in the United States was 27.5 percent lower than the average number of deaths due to drunk-driving related crashes on an average Autumn Saturday in 1986, reflecting the success of this campaign;

Whereas the first annual National Drive for Life day campaign featured endorsements from Nancy Reagan and other prominent public officials; and

Whereas the second annual National Drive for Life day will occur on September 3, 1988, the Saturday of the Labor Day Weekend, when drunk-driving related crashes are traditionally at their peak; Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Labor Day Weekend beginning on September 3, 1988, is designated as "National Drive for Life Weekend". The President is authorized and requested to issue a proclamation calling on the people of the United States to observe that weekend with a pledge to not drink and drive and other appropriate activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House joint resolution (H.J. Res. 592) was laid on the table.

## GENERAL LEAVE

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the several joint resolutions just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

## TRIBUTE TO ARDEL FIELDS

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, this past Saturday night my wife Carol and I enjoyed the opportunity to attend a retirement dinner honoring Ardel Fields, who for the past 26 years has been postmaster at Hickman, KY.

Ardel Fields and his lovely wife Betty are longtime friends of mine whom I like and admire very much.

A large crowd of Ardel Fields' friends gathered Saturday for dinner at Kenlake State Park Hotel in Aurora, Marshall County, KY, to honor and "roast" the man whose retirement as of August 1 saddened the people of Hickman.

During the 26 years Ardel Fields has served efficiently and effectively as an outstanding postmaster for the Mississippi River port city of Hickman—which is also the county seat of Fulton County, KY—he has been honored in several ways and has served in numerous responsible positions.

In 1979 Ardel Fields was elected State president of the Kentucky Chapter of the National Association of Postmasters.

As president and chief stockholder of Fields Petroleum, Inc., at Hickman, Ardel Fields is also known widely as a gasoline distributor. In 1986 he was elected State president of the Kentucky Petroleum Marketers Association.

To name a few of the other honors bestowed upon Ardel Fields—he has served as president of the Hickman Chamber of Commerce, chairman of the board of Hickman's First United Methodist Church, and a member of the Fulton County Levy Board.

Congratulations and best wishes to a dear friend and an admired, newly retired postmaster—Ardel Fields.

## GENERAL DEVEREAUX—HERO, PATRIOT DIES

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, I have the sad news today to report the death of a former Member of this House, Brig. Gen. James Devereaux, who held the Maryland Second Congressional District seat for four terms after returning home as the Marine Corps hero of Wake Island and a prisoner of war for 3½ years.

Patriot is an often, overused word. But when describing Jim Devereaux, it is appropriate—General Devereaux is one of those few people who led by example and not by words.

Three days after the sneak attack on Pearl Harbor, Wake Island came under attack. Then Major Devereaux and his command of 400 marines held off assault after assault for 16 days before surrendering to an overwhelming invading force. Major Devereaux's men sank two destroyers, and inflicted heavy losses before they were captured. Japanese historians considered the Wake Island engagement as one of the most humiliating defeats ever to the Japanese Navy.

Wake Island, as well as Corregidor and Guadalcanal, became rallying points to galvanize the United States into its monumental efforts in World War II.

General Devereaux spent the rest of the war in a prisoner of war camp, where he was an inspiration to the few who survived Wake Island and others who were captured later.

After the war, General Devereaux served four terms in this House. Always a gentleman, he was a credit to this body and the district he served.

Services were held this morning in Baltimore, and burial was this afternoon at Arlington Cemetery with full Marine military honors. Flags at all Marine Corps facilities throughout the world flew at half mast in is honor today.

His family, this House, the State of Maryland, and the United States will miss this great patriot.

I will do a special order on General Devereaux at the close of business tomorrow and hope that other Members who remember him and his deeds will be able to join in paying tribute to him at that time.

## A LONG-AWAITED PEACE

(Mr. MILLER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of Ohio. Mr. Speaker, after 8 long years it appears peace is finally at hand in the Persian Gulf. After an estimated 1 million combatants have lost their lives in the conflict between Iraq and Iran, the two adversaries have finally agreed to lay down their arms.

The announcement yesterday by the Secretary General of the United Nations that Iraq and Iran will cease hostilities as of August 20, and will commence peace talks 5 days later, is welcome and much awaited news.

In my opinion, the developments in this critical part of the world are in no small way the result of the vigilance and determination shown by the United States and our NATO allies, who in an effort to keep the strategic shipping lanes of the gulf open to commercial traffic, patrolled the gulf at considerable risk and expense.

I commend the president for his courage and foresight in seeing the aforementioned policy through. It was a tough decision, but a decision that appears to have paid big dividends.

□ 1845

## CONGRATULATIONS TO CHRIS GREEN ON WINNING MISSISSIPPI CITIZEN BEE COMPETITION

(Mr. WHITTEN, asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITTEN. Mr. Speaker, I take pride today in congratulating an outstanding young man from the First Congressional District of Mississippi, Chris Green, on winning the Mississippi Citizen Bee competition.

In placing first at the school, regional, and State levels, Chris brought pride to his hometown of Winona, MS, and to Winona High School. In fierce competition, Chris demonstrated superior knowledge in history, geography, economics, current events, government, and American culture.

The Citizen Bee is one of a number of educational programs conducted by the Close Up Foundation with the support of South Central Bell, the Mississippi Power Foundation, Mississippi AFT, and the Stennis Institute.

Congratulations to Chris and to Close Up for a job well done.

## MANY CREDIT REPAIR CLINICS DECEIVE, DEFRAUD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, 9,000 people from around the country recently lost $2 million to a single credit repair organization which did not render the services it promised. The New York Times called it the "most extreme case of credit-repair abuse ever uncovered," July 23, 1988. What is happening in America to allow such fraudulent business to prosper?

The root of the problem is Americans' dependence on credit. The charge card has virtually replaced cash for many people. Unfortunately, credit cards are often used unwisely. In many cases, debt is accumulated at a rate which cannot be repaid on time. The result, of course, is a bad credit record.

Bad credit records may be devastating. The ability to obtain financing to purchase cars, homes, and or even to rent an apartment may be hampered by a bad credit history. For simply forgetting to pay few bills on time, an individual may be plagued with credit problems for many years.

Credit is offered with the trust that the money will be repaid. Once that trust is broken, a creditor will naturally be reluctant to offer more credit. Of course, a bad credit record which is unfounded may be rectified through appealing to the reporting credit bureau. However, bad credit which has been properly reported will stay in one's credit file for a given period of time, which may be as long as 7 years, or more.

Under the Fair Credit Reporting Act, passed in 1970, consumers who are denied credit

based on a credit report are entitled to have the contents of their credit file disclosed to them free of charge. Consumers requesting the disclosure of their file at other times may be charged a small fee by the credit bureau before the disclosure. Generally, these fees average around $10. The act also gives consumers the right to dispute any information that is inaccurate, and to include their story regarding disputed information.

Enter: Credit repair clinics. Many of these businesses are kin to "get rich quick" schemes. They promise fast results and newfound wealth in the form of available credit. Wiping the slate clean is what these credit repair clinics claim they can do, yet this is not possible if the information in the credit file is correct.

Credit repair clinics may legitimately assist individuals in contesting reports of bad credit. However, if the information is verifiable by the credit bureau, the credit repair clinic can do nothing to change it. When an item in a credit history is questioned, the credit bureau has a certain period of time in which to verify the information. If it is not verifiable, or if the bureau is not able to take action to verify it within the allotted time, the item must be removed from the credit history.

Many of these clinics promise to fix credit histories which are irreparable. Further, they may use the unethical tactic of bombarding a credit bureau with requests for verification with the hope that the bureau will not possibly be able to verify all of the information within the given time period. It is this kind of deception and unethical practice that my bill, H.R. 458, the Credit Repair Organizations Act, is designed to prohibit.

H.R. 458 will require that all credit repair clinics advise consumers of their rights under the Fair Credit Reporting Act before any contract is signed. This bill will also require the credit repair organization to fully describe the services they will provide and give the consumer 3 days to cancel any contract between the two. The legislation also prohibits credit repair clinics from making misleading statements about their services and prohibits them from counseling consumers to make misleading statements to creditors and credit bureaus.

I urge my colleagues to be aware of the growing problem of deceptive and fraudulent credit repair organizations. Making the public aware of this situation will help to protect consumers. Further, through H.R. 458, the Congress can take measures to prevent money-hungry schemers from preying on individuals who are dealing with the consequences of having bad credit.

## A TRIBUTE TO DR. FREDRICK CHIEN OF CHINA

The SPEAKER pro tempore (Mr. HUTTO). Under a previous order of the House, the gentleman from California [Mr. COELHO] is recognized for 60 minutes.

Mr. COELHO. Mr. Speaker, I rise today to honor my good friend Dr. Fredrick Chien, who is returning to the Republic of China later this month after serving as his country's chief representative in the United States for more than 5 years.

Freddie's record of distinguished public service to his nation spans more than two decades. He began his career at the Ministry of Foreign Affairs in 1961 as a North American specialist, and soon rose to the position of section chief. From 1965 to 1975 Freddie served as President Chiang Kai-shek's personal translator, while also holding the position of Director General of the Government Information Office. In 1975 he became the Administrative Vice Minister of the Ministry of Foreign Affairs, and was appointed to the position of Political Vice Minister in 1979. Since 1983 he has served as the Republic of China's chief representative to the United States. But his career in public service is far from over as he leaves Washington—Freddie is returning to the Republic of China to assume the responsibilities of his new position as Minister of State and Chairman of the Council for Economic Planning and Development.

The Republic of China has long been one of the United States most important and loyal allies in a troubled area of the world, and Freddie Chien has worked hard during the last 5 years to renew and strengthen the political, economic, and social ties that bind our two nations. This has been a formidable task, however, due in large part to the fact that the U.S. Government continues to deny the Republic formal diplomatic recognition. A lesser man might have given up in the face of such a formidable task, but Freddie has risen to the challenge and has pushed forward with such complex issues as military sales, trade imbalances, and concerns about human rights.

Certainly there are issues—particularly in the field of agricultural trade—that have not yet been resolved to the satisfaction of both our countries, but Freddie has worked hard to maintain an open and constructive dialog on all issues of contention between us and to push his Government toward liberalization. For example, he was instrumental earlier this year in encouraging his Government to reduce duties on some 3,500 imported products and to allow the new Taiwan dollar to appreciate significantly against the United States dollar over the last several years. Much of the progress in these difficult areas has been due to Freddie's keen understanding of the complex issues involved and of the overriding importance for cooperative relations between our great nations.

Although all of Washington will miss Freddie Chien, we can find comfort in knowing that he will continue to work to promote closer relations between the United States and the Republic of China in the future. One of his primary responsibilities in his new position as Chairman of the Council for Economic Policy and Development will be the supervision of the Republic's foreign trade relations, and I know he will continue to move toward a mutually acceptable solution to the trade issues that remain unresolved between us.

It is important to note that Freddie has been one of the principal Government officials responsible for the increased pace of democratization that has been taking place in his country during this decade. The recent lifting of the state of martial law that had existed since the founding of the exile Chinese Government in 1949 was a milestone in the Republic's efforts to achieve true democracy, and I know that this bold step might not have been taken without Freddie's urging. The smooth transition following the death of the great Chinese patriot, President Chiang Ching-kuo, marked yet another stage in the evolution of democracy on the island of Taiwan, and quite frankly, I am glad that Freddie will be in Taipei to help guide his country during this important period in its history.

Mr. Speaker, I would like to take this opportunity to salute Dr. Freddie Chien for all that he has done to improve the political, economic, and cultural relations between the United States and the Republic of China during his service in Washington. He has a very bright future ahead of him, and I wish him the best of luck as he undertakes his new and challenging duties in Taipei.

Mr. COELHO. Mr. Speaker, I ask unanimous consent to yield 30 minutes of my time to the gentleman from New York [Mr. SOLOMON] and that he may be permitted to yield time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The gentleman from New York [Mr. SOLOMON] is recognized for 30 minutes.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from California [Mr. COELHO] for yielding half of his time on this special order.

Mr. Speaker, I am joining Congressman TONY COELHO in this bipartisan special order today so that Members may have the opportunity to honor an uncommon man whom we all have come to know and respect, Dr. Fredrick Chien.

For the past 5 years, Dr. Chien has served here in Washington as the Republic of China's representative at the Coordination Council for North American Affairs. And in about 10 days, he will be returning to Taiwan, where he has been appointed to serve as Minister of State and Chairman of the Council for Economic Planning and Development.

Mr. Speaker, while we are sorry to see Fred and his family leave Washington, we are happy for them—and for the important promotion that Fred has received. One thing we know for sure: Washington, DC, has not heard the last of Fredrick Chien, and I am sure that every Member will be interested in following his future career.

Mr. Speaker, we have every expectation that Fred will be in the forefront of the continuing political and economic development of Taiwan, just as he has been for the past quarter century.

The last several years, in particular, have witnessed some very dramatic political developments in Taiwan itself, as well as a tremendous expansion in the trade relationship between the United States and Taiwan. Throughout all of these developments, Fred has been a good friend and a valued counselor in helping the American people, and we as their representatives, understand the meaning of these changes.

Many Members of Congress are so well acquainted with Fred that I need not go into extensive detail about his personal background. But his political career does bear testimony to a lifetime of achievement.

Fred earned his Ph.D. in international relations at Yale University in 1961, and he then returned to Taiwan to join the Foreign Ministry. Within a few years he had worked his way up to become personal interpreter for President Chiang Kai-Shek.

Fred was appointed director of North American affairs at the Republic of China Foreign Ministry in 1969 and served in that position until 1972, when he became the official government spokesman for the Republic of China. He was appointed Vice-Minister of Foreign Affairs in 1975, and it was then that so many of us came to know him.

We were delighted, of course, to welcome Fred to Washington 5 years ago, when he came here as the ROC representative. And during these years, our friendship and respect for him has deepened. Fred is a most articulate and able representative for his country and much of the credit for the continuing close relationship between the United States and the Republic of China goes to him.

And so it is with mixed emotions, Mr. Speaker, that we bid a fond farewell to Fred Chien and his beautiful wife, Julie. We are grateful for the time they could spend here, but we look forward to seeing them again. And we know that Fred is going on to ever greater responsibilities in his government.

We wish he and his family Godspeed.

I would just conclude, Mr. Speaker, by noting that a greater political evolution is now taking place on Taiwan. The political system is opening up, and I have every confidence that President Lee will build on the legacy of reform that was left in place by his predecessor, Chiang Ching-kuo. I am also confident that our friend, Fred Chien, will contribute mightily to this effort.

Mr. COELHO. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. PERKINS].

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Mr. PERKINS. Mr. Speaker, I thank my distinguished friend and colleague, the gentleman from California [Mr. COELHO], for taking the time to extend the privilege of addressing this august body, the House of Representatives, and my colleagues, about Dr. Fredrick Chien.

Dr. Chien certainly has been a man of uncommon ability here in this great Nation that he has come to work so well in. Some of us who spend fleeting amounts of time involved in some of the foreign issues that seem to become so complex within our Nation have been charmed by the dignity and by the knowledge, the personality that seems to surround Dr. Fredrick Chien. He has been a man who has demonstrated an ability to communicate to all ideologies within this Nation so that today we see people on both sides of the aisle who stand gladly to talk about Dr. Chien and what he has done to communicate the ideas of the Republic of China to this, our Nation's leadership in the Congress.

Certainly it is with regret that a number of us see the passing of Dr. Chien from his position here in Washington, but certainly the promotion that is being afforded Dr. Chien is something that can only further benefit the relationship between our two great nations, and I am certain that with Dr. Chien in China and working on the trade problems that, indeed, as our distinguished friend, the gentleman from California, has commented are so complex and require such understanding of the complexities that are involved to attempt to smooth things into a workable order.

Dr. Chien will excel in this regard there as he has here, and I am hopeful that we in Kentucky and the eastern part of the State of Kentucky will be able to continue to work with the Chinese Government and be able to communicate our interests and exchange ideas and trade for the future.

Dr. Chien, it has been a privilege to have you here, and we look forward to seeing you soon in Taiwan.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I am happy to yield to the distinguished Member, the gentleman from New York [Mr. GILMAN], a very important member of the Committee on Foreign Affairs, and a gentleman that helped this gentleman in the well write the Taiwan Relations Act which has bound these two countries together for so many years.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding and I want to thank both the gentleman from California [Mr. COELHO] and the gentleman from New York [Mr. SOLOMON] for arranging this time so we can pay tribute to a great representative of the Republic of China.

Mr. Speaker, I rise to join in this salute to Mr. Fredrick F. Chien, who is leaving his post as the representative of the Government of the Republic of China to the United States.

It was with regret that I learned that Fred would soon be coming to the end of his service in Washington, although I was elated to hear that he will assume a position of great importance in his government.

Representative Chien's intimate knowledge of the American political and economic scene will serve his country well as he takes up his new responsibilities as Minister of State and Chairman of the Council for Economic Planning and Development.

Fred Chien will certainly be missed in Washington. My family and I wish Mr. Chien and his family the best of good health, happiness and success as they return home to new challenges.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. COELHO. I am happy to yield to the gentleman from Ohio.

Mr. FEIGHAN. Mr. Speaker, I'm very happy to join this special order today, honoring Dr. Fredrick Chien, who has been the Republic of China's exceptional representative in Washington, DC, for the past 5 years.

I'd like to commend my colleagues, Representatives COELHO and SOLOMON, for sponsoring this important event.

As we all know, this past year has been an especially momentous one in terms of bringing Taiwan closer to democracy.

But much remains to be done on Taiwan in terms of recognizing human rights, tolerating democratic opposition, and reinstituting civil rights. Those of us in the Congress who are concerned with human rights hope that Taiwan's new President will continue to move Taiwan in the direction of true democracy.

Throughout these times, Members of Congress have had the extremely good fortune to work with Fredrick Chien. Dr. Chien's credentials and experience are simply unsurpassed.

He graduated from National Taiwan University with a major in political sciences and received his Ph.D. from the Yale School of International Relations in 1961.

He was the late President Chiang Kai-Shek's English translator from 1965 until the President's death in 1975. His other positions have includ-

ed Director General of the Government Information Office; government spokesman; and Political Vice Minister of the Ministry of Foreign Affairs.

Since 1983, Dr. Chien has been the representative of the Coordination Council for North American Affairs. He has served the Republic of China extremely well during this time—meeting with Members of Congress and other American leaders to help improve relations between the United States and the Republic of China. He's an eloquent speaker, and hard worker, and a good friend.

I want to extend my very best wishes to Dr. Chein as he leaves Washington and returns to Taiwan to become the Minister of State and Chairman of the Council for Economic Planning and Development. He will be greatly missed.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I am happy to yield to the gentleman from Ohio, a longtime friend of Taiwan and a gentleman who has traveled with me to that nice country.

Mr. LATTA. Mr. Speaker, I rise today to pay tribute to a friend of the United States, Dr. Fredrick Chien, of Taiwan. It would be appropriate to recognize him at any time, Mr. Speaker, but this occasion is a very special one. Dr. Chien will be leaving the United States after a long and distinguished career to return to Taiwan to Planning and Development.

Dr. Chien has earned my respect and the respect of this House during his service here in Washington as the Republic of China's representative of the Coordination Council for North American Affairs.

His new post is earned and well deserved and he certainly is the right man for the job. I bid him and his wife, Julie, farewell as they return to Taiwan. It has been a personal pleasure for me to have worked with him in the best interests of our two countries. As Dr. Chien leaves Washington, I wish him well.

Mr. ESPY. Mr. Speaker, will the gentleman yield?

Mr. COELHO. I am happy to yield to the gentleman from Mississippi.

Mr. ESPY. Mr. Speaker, I want to take this opportunity to share with my colleagues my association with the Honorable Fredrick Chien, the Republic of China's Representative to the United States of America. Dr. Chien has been a faithful and effective leader who reflects the belief that China's long history proves human efforts can surmount any obstacle.

Since the break in United States diplomatic relations with the Republic of China on Taiwan, Dr. Chien has dedicated himself to preserving the traditional friendship between the Chinese and American people. He was instrumental in guiding a trade delegation to my State which resulted in the purchase of some 40 million dollars' worth of cotton and soybeans over a 2-year period.

Mr. Speaker, I had the pleasure of visiting this island nation which is about the size of my Mississippi district, and I was impressed with the industriousness and persistence of its people. The Government of Taiwan has embraced the basic elements of democracy and is making lasting changes in its society to further democratic ideals.

In closing, I would like to congratulate Dr. Chien on his appointment as Minister of State and Chairman of Economic Planning Council and know that he will continue his dedicated performance.

Mr. WORTLEY. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I am happy to yield to my good friend, the gentleman from New York [Mr. WORTLEY], another good friend of Taiwan.

Mr. WORTLEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this is, indeed, an auspicious occasion for Dr. Fred Chien, when two distinguished Members of the House of Representatives share a special order to honor him.

Mr. Speaker, I rise to personally pay my respects to a true friend, an ally of the United States, and a distinguished diplomat, Dr. Fredrick Chien.

Dr. Chien is to be commended for the professional and effective manner in which he carried out his duties in this country. As the representative of the Coordination Council for North American Affairs, Office of the United States, he has represented his country well, while he sought to improve its relations with our Nation. Despite the break in formal diplomatic relations in 1979, he has helped preserve the traditional friendship between our two countries.

Mr. Speaker, the Republic of China is one of the foremost friends and allies of the United States, and although we occasionally have our differences, our historic, economic, and philosophical ties have grown stronger as the years have passed. Dr. Chien has made a valuable contribution to this relationship by mediating trade disputes and providing a clear channel of communication.

Dr Chien's past record speaks for itself. In addition to working closely with high-level Government officials, including the late President Chiang Kai-shek, he has served as Deputy Director of the Ministry of Foreign Affairs in Taipei, and as Director General of the Government Information Office. He assumed the post of Political Vice-Minister in 1979 and became a representative in Washington in 1983.

It was in his capacity as Political Vice-Minister that I first met Fred Chien. Dr. Chien has visited my district. He knows my constituents. He has helped build substantial trade ties to central New York. These ties have created friendships and created jobs in my community.

His wife Julie, who often is at his side, actually attended college in New York City, and she was a librarian in the Brooklyn Public Library. She has, indeed, made her presence felt in the United States.

It has been an honor to know the Chiens. We shall miss their presence in America, and I would like to join with my colleagues in wishing Dr. Chien well in his new post as Minister of State and Chairman of the Council for Economic Planning and Development in the Republic of China. This appointment bodes well for both of our nations.

Mr. WISE. Mr. Speaker, will the gentleman yield?

Mr. COELHO. Mr. Speaker, I am happy to yield to the gentleman from West Virginia.

Mr. WISE. Mr. Speaker, I thank the gentleman for yielding.

I, too, rise from West Virginia to say that I am sorry that Fred Chien and his wife are leaving, but also there is also happiness, of course, for what it means for the relations between our countries and for his own personal ambitions and ability.

The Republic of China is going through great challenging times. Democracy is growing steadily. A lot of changes are coming, and I can think of no better person to be in the middle of all of this than Fred Chien. He has certainly been a very able representative for his government and for his country here in the United States. He has caused many of us to know and to appreciate his country, its problems, its unique situation much better. He has made Taiwan more than just a distant place on a map to us. He has brought it home to those of us in the United States. He has also, of course, become an excellent friend to our States, because he has understood the concerns that many of us have. He has understood the trade deficit. He has understood that we have our particular concerns and urgencies, and so he has made an effort to broaden the relationship between our States. I know that each of us feels that his or her State has a particular relationship, a personal relationship, with the Republic of China, and, indeed, thanks to Fred Chien we do. We do. He has been to each of our States personally as well as encouraging those in his country, particularly business people, to come and pay attention, to listen and to see where we can increase our trade and our mutual understanding.

Mr. Speaker, I also want to say in closing that I think the testimony to Fred Chien as a diplomat is exactly in who is here in this presentation, the

two gentlemen in the well, who do not always share the same philosophy, from opposite sides of the aisle, and, indeed, I have listened to those from the most conservative to the most liberal, both sides of the aisle, present testimony in behalf of Fredrick Chien and, indeed, that is his test as a diplomat. In fact, I am sorry to see him go. Perhaps in these closing days of the session he might mediate some of the battles coming up between us here in the House as well as he has mediated and brought our two countries together. He might give assistance here.

Once again, I want to thank Fredrick Chien for all he has done. I am secure and confident, in the knowledge that we are all going to be working even more closely with him particularly in the position of even greater importance that he is assuming.

Mr. COELHO. Mr. Speaker, I thank the gentleman from West Virginia for his remarks about the gentleman from New York and I and the other colleagues that have been here to testify to the good job that he has done which are well taken. I am sure many people will observe that.

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Mr. SOLOMON. Mr. Speaker, the gentleman does make a point.

Sometimes liberals and conservatives are like old-fashioned ice tongs. They are far apart in the middle, but they come together at either end, and thank goodness the Congress itself, Republicans, Democrats, liberals, and conservatives, quite often stand together when it comes to jobs in America. One of the things Fred Chien has done for America and for jobs in my district and that of my colleague from New York, Mr. SAM STRATTON, a Democrat from my neighboring area of Albany, is to deliver a contract for three nuclear powerplants in Taiwan. Of course, that means hundreds of thousands of man-hour jobs for the people in General Electric Co. in our two respective congressional districts.

Mr. Speaker, I yield to the gentleman from Washington [Mr. MILLER], a very distinguished member of the Foreign Affairs Committee.

Mr. MILLER of Washington. Mr. Speaker, I thank both of my colleagues, the gentleman from New York and the gentleman from California, for holding this special order.

Mr. Speaker, I first met Fred Chien 28 years ago. He was a student in international relations at Yale and I was studying law there, and we shared many a meal in the law school dining room discussing the issues of the day facing our two countries.

He was then a scholar, a patriot, a defender of democratic ideals, and a fine ambassador for his country. That was 28 years ago. He was my friend then and he is my friend today, and he remains a scholar, a patriot, a defender of democratic ideals, and a fine ambassador for his country.

I have watched with admiration his career, and as many of my colleagues have commented here tonight, his record of service in our Nation's Capital on behalf of his country has been outstanding. I know that in the future positions that he holds for his country his record will also be outstanding.

I just want to wish Fred and Julie Chien the best.

Mr. SOLOMON. I certainly thank the gentleman from Washington for his remarks.

Mr. COELHO. I thank the gentleman for his remarks as well.

Mr. Speaker, I yield to the gentleman from California [Mr. Bosco].

Mr. BOSCO. Mr. Speaker, I would like to thank the gentleman from California and the gentleman from New York for affording us this opportunity to rise to honor Dr. Fredrick Chien. Although he has not purchased any redwood or wine from my district that I know of, I am very proud to have the opportunity to rise here and express not only my affection for Dr. Chien, but the great gratitude that we have for what he has stood for and how ably he has represented his own country.

Dr. Chien has been a valued friend of many of us here in the Congress, and I have been extremely fortunate to have the personal advice and counsel of him and his staff for several years.

I have always admired his mastery of complex issues, and certainly no issue between countries is more complex than those between Taiwan and the United States, great allies for many years. I am confident that he will continue to make an important contribution to the partnership between our nations in the years ahead.

Dr. Chien is returning to Taiwan to serve as Minister of State and Chairman of the Council for Economic Planning and Development. The home government in Taiwan is gaining a disciplined and inspirational leader, and I have no doubt that he will continue to serve the people of Taiwan ably.

Mr. Speaker, I once again extend my congratulations to Dr. Chien and his wonderful family. I wish them the very best in their return to their homeland, and I know that I am not alone in this body when I hope that Dr. Chien will continue to correspond with the many Members of Congress like myself who hold a special place for him in our hearts and minds.

Mr. COELHO. Mr. Speaker, I thank the gentleman from California for those remarks.

I would like to note as well that I have heard some of my colleagues talk about all of these jobs they got in their districts. I have talked to Freddie about this. I have not gotten those either, so we will have a discussion with him.

Mr. SOLOMON. I thank the gentleman for his remarks as well.

Just to show the broad-based support that Fred Chien has in this Congress on both sides of the aisle, and the philosophical and political spectrum, we have statements from the gentleman from New York, Mr. GARY ACKERMAN, the gentleman from Texas, Mr. BILLY ARCHER, the gentleman from Tennessee, Mr. DON SUNDQUIST, the gentleman from Michigan, Mr. BILL BROOMFIELD, the gentleman from Colorado, Mr. DAN SCHAEFER, the gentleman from Ohio, Mr. MICHAEL OXLEY, the gentleman from New York, Mr. JACK KEMP, the gentleman from Texas, Mr. DICK ARMEY, and the gentleman from California, Mr. ROBERT J. LAGOMARSINO, the home State of my colleague, the gentleman from California, Mr. COELHO.

Mr. Speaker, I yield to another distinguished Member of this House and of the Foreign Affairs Committee, the gentleman from Iowa [Mr. LEACH].

Mr. LEACH of Iowa. Mr. Speaker, I thank the gentleman for yielding. I say to the two gentleman in the well that this is indeed a unique special order honoring a unique diplomat. It is led by two gentleman of different parties, with differing philosophical perspectives, but it is also rare, frankly, that this body comments on a movement or a diplomatic reassignment, which this is.

Part of it, I think, is due to the fact that the diplomat in question is a man of rare ability. Part of it is due to the fact that I think it is understood in this body that Mr. Chien's personal career is in the midstages and that he may well become one of the senior political figures in his homeland, and for that this body, I think, is very appreciative.

Representative Chien came to this country at a time of great change on Taiwan as well as with regard to the United States' relationship with that island. It is a time that has taken a great deal of subtle command of events, subtle command of ideas. Mr. Chien has brought that to this subject.

He will no longer be residing here in Washington but I think from this country's perspective we will consider him a bulwark of friendship in whatever he may be doing in Taiwan. And as far as this Member is concerned and, I think, the people of the United States are concerned, the relationship with Taiwan is unique. It is geopolitically a land that has unprecedented legal status, and the strength of the Taiwanese people's ability to determine their own future will rest largely upon the democratic process on that island as well as upon what I think is a

very strong and warm relationship between our peoples.

I personally would simply want to wish Mr. Chien well and, I think, not just from a personal perspective, but from the perspective that he symbolizes a great deal, he symbolizes change, he symbolizes professional understanding, and he symbolizes a great warmth of friendship between our two peoples.

Mr. SOLOMON. Mr. Speaker, I certainly thank the gentleman from Iowa, who is the ranking Republican on the Foreign Affairs Subcommittee on Asian and Pacific Affairs.

I will say to the gentleman from California [Mr. COELHO] we have heard from the liberals and the conservatives, and now we have heard from one of the great noted moderates of the House, the gentleman from Iowa [Mr. LEACH]. I thank him for his remarks.

Mr. COELHO. I thank the gentleman from Iowa for his remarks as well and appreciate the cooperation of the gentleman from New York.

Mr. Speaker, I yield to the gentleman from Texas [Mr. HALL].

Mr. HALL of Texas. Mr. Speaker, I thank the gentleman, and I too am pleased to have the opportunity to say a few kind words about my friend, Fred Chien.

Mr. Speaker, for all of the differences in the world, all of the ugliness and the headlines and acrimony among nations, the problems we have right here on this floor, I think all of those are pushed aside at a moment like this when we come together to extend our best wishes to one who has worked among us, who has been a friend. And for the gentleman from New York [Mr. SOLOMON] and the gentleman from California [Mr. COELHO] they have visited his wonderful country in different capacities perhaps from the standpoint of trade, and I have been with the gentleman from New York at the World Anti-Communist League, and we have felt the friendship, we have felt the warmth of this great man and the great people that he represents. So I think it is nice that we come together, that we would have the opportunity to come together to say a temporary so long to one who is always cordial and always warm, always gracious and so capable of friendship, as evidenced by the words that have been spoken here tonight, and the epitome of diplomatic success, and we really pay tribute to a fine gentleman and an astute dignitary. I know that he is going to assume his new Cabinet post as Chairman of the Republic of China's Council of Economic Planning and Development, and do it with his usual ability that he has set forth in every undertaking that I have been associated with him.

I have known him a long time. I have long admired his very diligent efforts to promote better relations between the United States and the Republic of China.

Dr. Chien has worked tirelessly toward clarifying and improving trade relations between our two countries, always acting with the utmost decorum, representing the very best interest of his country while at the same time acknowledging the concerns of the United States.

The Republic of China can be very proud of Dr. Chien's accomplishments during his tenure here, his development of amiable and healthy relationships between his countrymen and the leaders of our Nation; his ability to protect his country's industrial markets from undesirable foreign investors, his contributions to development in joint scientific and technical projects.

So as Dr. Chien and his wife, Julie, and their family prepare to leave for Taipei, I join with my colleagues in bidding a very fond farewell to this great dignitary, and to wish him the very best as he continues to serve his country in his new post. He leaves with my hope and I am sure the hopes of many on this floor that the United States will recognize that the Republic of China is and has always been our ally with a common interest. As we adjourn today, Mr. Speaker, I think we should do so in honor of Dr. Fredrick Chien.

Mr. COELHO. Mr. Speaker, I thank the gentleman from Texas for his very kind remarks.

Mr. SOLOMON. Mr. Speaker, I might just say to the gentleman from California that I know Fred Chien will be deeply honored when he reads in the CONGRESSIONAL RECORD that he was represented on this floor by a fine gentleman like yourself, TONY, because I know you have been a great friend of Taiwan and a great friend of Fred Chien.

So I have no further requests for time, but I deeply appreciate the chance to participate in this special order with my colleague, the gentleman from California.

Mr. COLEHO. I thank the gentleman from New York. He, as everyone from Taiwan knows, has been a great friend of Taiwan, and during a time of need and crisis was there and stood up for them, and is appreciated by them and by those of us in the House who have been strong friends of Taiwan.

Mr. Speaker, in closing, I would like to take a personal moment if I can to wish good luck and God speed to Freddie Chien. But not only to Freddie, but to his lovely wife, Julie. The two of them have been so kind to my wife, Phyllis, and me, and during a struggle that my wife had recently, Julie was most kind, most gracious, most outreaching and most warm with her words. It is that type of individual that we are dealing with in both Freddie and Julie, and that is why so many of us on the floor today have risen to bid them a fond farewell, knowing, as the gentleman from Iowa [Mr. LEACH] indicated, that we are talking about a man who is in midcareer. We are not talking about a man who has gone back to his country to basically be promoted into retirement. We are talking about a man who has accomplished a lot, but is in midcareer and will accomplish a whole lot more.

For that, and for so many things we are very, very grateful to Freddie and to Julie. Good luck and God bless.

Mr. SCHEUER. Mr. Speaker, in a few days Dr. Fredrick Chien will be returning to the Republic of China where he will continue to serve his country as Minister of State and Chairman of the Council for Economic Planning and Development.

Those of us who have known and worked with Dr. Chien during the past 5 years in his role as Taiwan's representative in Washington congratulate him for his promotion, and view his departure with both sadness and joy.

We are sad because we will be losing the able advice and counsel of a friend who has helped us to understand the significant changes that have occurred in the Republic of China in recent years.

But we are also happy for our friend because he will be assuming a position in his government's cabinet where he will be able to continue to contribute to the growth and prosperity of the Republic of China.

Dr. Chien has devoted his life to public service and his tireless work on behalf of his nation is well known.

He has been an outstanding and eloquent spokesman for the Republic of China.

He played a major role in convincing the government to lift martial law and establish democracy.

He worked to loosen foreign exchange controls and helped to develop a more flexible policy concerning mainland China.

He has strived to improve trade policies between our two nations.

And he has been instrumental in strengthening political and social ties between the Republic of China and the United States.

Dr. Chien already has earned himself a place in history for his years of public service.

And I deeply believe that he will continue to excel in his new post.

In fact, some of us believe he may someday rise to be President of the country he has served so well.

We will miss Dr. Chien and his wife Julie.

They are a charming couple whose hospitality is legendary in Washington.

I wish them the best of luck on their return to Taiwan.

Mr. YATRON. Mr. Speaker, I want to take this opportunity to join with my colleagues in this most deserving tribute to Representative Fredrick F. Chien. I want to commend my colleague JERRY SOLOMON for his initiative here today. Congressman SOLOMON serves as the ranking member of the Subcommittee on Human Rights and International Organizations, which I chair, and has made a tremendous contribution to a bipartisan human rights

policy. I also want to commend Congressman COELHO for his leadership on this special order today.

Dr. Chien is one of the most capable and outstanding foreign diplomats I have ever met and with whom I have worked. His efforts have harmonized United States relations with the Republic of China and he has helped guide the United States-ROC relationship through some problems areas. The people of our two countries have benefited from his expertise. Dr. Chien continues to provide timely information on a whole array of issues which affect United States-ROC relations and has been instrumental in enhancing America's understanding of his country, and in bringing our concerns to the direct attention of the ROC leadership.

Dr. Chien has a depth of experience and knowledge in foreign affairs. In fact, he received his Ph.D. in international relations from Yale, served, since 1961, in the Foreign Ministry in Taiwan, and was Chiang Kai-shek's personal interpreter. In 1969 Dr. Chien became the Director for North American Affairs in the Foreign Ministry and 3 years later served as spokesman for the government. From 1975 to 1983 he was Vice Foreign Minister, became Senior Vice Foreign Minister in 1979. In 1983 Dr. Chien became Representative of the Coordination Council for North American Affairs here in Washington.

While we will certainly miss Dr. Chien and his expertise, he will be going back to Taiwan at a time of tremendous change and reform. He will have a great role to play as the Republic of China meets the challenges which lie ahead.

I want to wish Dr. Chien the greatest success, and I wish the entire population of the Republic of China the very best.

Mr. BUECHNER. Mr. Speaker, I am pleased to join my colleagues in honoring Dr. Fredrick F. Chien, Representative of the Coordination Council for North American Affairs [CCNAA]. I regret that Dr. Chien will be leaving us on August 12 to return to the Republic of China. While I congratulate him on his new post as Minister of State and Chairman of the Council for Economic Planning and Development, I am reluctant to see him leave his post here in the United States. We will surely miss him.

Fred has been an excellent representative of his country during times of difficult economic relations. He is certainly one of the world's most admired diplomats with impressive credentials. Fred has been a scholar, graduate of National Taiwan University with a major in political science. He later studied English at the Officers' Language School and became a translator in the Ministry of National Defense. Shortly thereafter, he left for the United States and received his Ph.D. from the Yale School of International Relations in 1961.

Fred returned to his homeland and entered the Ministry of Foreign Affairs as a specialist on North America. He later held the distinguished position as President Chaing Kai-shek's English translator and served until the President's death in 1975.

He has held numerous high ranking positions with his government and authored several books. Since his appointment as Representative of the CCNAA, Fred has worked admirably to help preserve the special friendship between the Chinese and American people.

Although we bid farewell to Fred and Julie Chien, we take comfort in knowing that the Chiens will return to Taipei to continue their outstanding work on behalf of the Republic of China [ROC] and that of enhancing international trade and cooperation.

Dr. Chien deserves much congratulations. He has proved to be a key spokesman for his country and a pivotal player in shaping its policies. Instrumental in urging the ROC to lift martial law and loosen foreign exchange controls, he has carved a role as an international stateman and diplomat.

In his new post as Chairman of the ROC's Council of Economic Planning and Development, I feel certain that he will continue his contributions toward ensuring economic growth for Taiwan and promoting fairness in international trade.

In speaking of the special relationship between the United States and the Republic of China, I think the Free China Journal said it best in its editorial 2 years ago:

Dr. Chien * * * is a central factor in making it all work—especially via his pioneering work to establish a mutually acceptable association between the officials of the two countries, outside the framework of the formal diplomatic practice. * * * Chien's personal style, approach, sincerity, and breadth of knowledge, observers agree, are the basic elements in the excellent rapport he has established with his U.S. counterparts.

I offer my best wishes to Fred and Julie as they leave Washington to undertake a new and rewarding experience in Taipei.

Mr. LAGOMARSINO. Mr. Speaker, I would like to join my colleagues in taking this opportunity to say thank you and farewell to Dr. Fredrick Chien, the very able representative of Coordination Council for North American Affairs in Washington, DC

Dr. Chien, over the past years, has been an important and successful player in strengthening United States-Republic of China relations. He has been very helpful to me and my constituents, the residents of Ventura and Santa Barbara Counties in California, in increasing the export of citrus, wines, agricultural produce, and manufactured products to Taiwan. I am very grateful for all of his assistance.

While I am sorry to see my good friends Dr. Fred and Mrs. Julie Chien leave Washington, I am very pleased that Fred has been promoted by President Lee to serve as Minister or State and Chairman of the Council for Economic Planning and Development.

Knowing of the outstanding service Dr. Chien has performed in Washington, his successor is going to have an excellent, albeit very difficult, example to follow. I very much appreciate the courtesy and cooperation Dr. Chien has extended to me and my colleagues and I wish him the very best in his new responsibilities in Taipei.

Mr. ARMEY. Mr. Speaker, I want to thank the gentleman from New York [Mr. SOLOMON] for taking this special order to pay tribute to Dr. Fredrick Chien, an outstanding representative of the Republic of China. Fred has served the Republic of China for over 5 years here in Washington and will be leaving soon to take on new responsibilities in Taipei.

Our relationship with the freedom-loving people of the Republic of China dates back many years. Even though President Carter broke diplomatic relations with the Republic of China, our two countries have continued to interact closely through the American Institute in Taiwan and the Coordination Council for North American Affairs [CCNAA]. Serving as the head of CCNAA for over 5 years, Fred has helped foster an even closer working partnership between our two nations.

His hard work is manifest in the fact that over 40 agreements between the United States and the Republic of China in such areas as trade, military sales, and human rights issues have been concluded during his tenure. While our countries have our differences, Fred has helped remind us of our similarities and mutual concerns and is, in no small part, responsible for bringing these mutually beneficial agreements into effect.

In one important area—that of creating an equitable trade relationship between our countries—I have personal knowledge of how hard Fred has worked. A few years ago, I worked with Fred and others at CCNAA to try to get reductions in certain tariffs and duties imposed on American products by the Republic of China. While we were not able to win reductions at that time, I'm pleased to say that the ROC recently announced the relaxation of duties on more than 3,500 import items. I know Dr. Chien was an instrumental voice in guiding his country to relax these mutually harmful trade restrictions.

Mr. Speaker, Fred and his wife Julie will be missed in Washington. But I'm sure in his new, dual role of Minister of State and Chairman of the Council for Economic Planning, Fred will continue to work for even closer ties between the ROC and the United States. I wish Fred and Julie all the best and hope they will keep in touch with their many friends in the United States.

Mr. KEMP. Mr. Speaker, Dr. Fredrick Chien has been a very faithful and effective envoy for the Republic of China in Washington. He has overcome many obstacles and has been able to build an impressive office in Washington. Specifically, over the past 5 years, I have been pleased to work closely with Dr. Chien and Dr. Lyushun Shen in guaranteeing the rights of the Republic of China in the Asian Development Bank. One of Fredrick Chien's great accomplishments has been to establish one of the best congressional relations staff headed up by Mr. Jason Yuan.

As we bid farewell to a friend, we should take time out to evaluate our official relations with the Republic of China. The concept of "linkage" between diplomatic recognition of the People's Republic of China and the derecognition of the Republic of China must be changed. The Republic of China is truly a model of economic development and prosperity. The Republic of China is one of our best trading partners and their adherence to the principles that we share make them a very strong and important ally.

On the other hand, the strategic value of the People's Republic of China decreases as they continue to destabilize areas of strategic

importance to the United States through their sale of arms to countries like Syria, Iran, and Libya. Most recently the Senate passed a resolution 97–0 declaring, "if these sales and policies are not discontinued, the United States should reassess its relations with the People's Republic of China."

The Republic of China has made advances in the area of human rights and has made irreversible moves toward a complete and open democracy. For these reasons and others we should re-evaluate the trust placed in the mainland and begin the debate to restore full and formal diplomatic relations with the Republic of China.

Dr. Chien leaves Washington for Taipei to be the Chairman of the Council for Economic Planning and Development. We wish him continued success in his new post. Dr. Chien has had a very positive impact on the relations between our two countries and I am sure that we will continue to work together. I also look forward to welcoming Mr. Mou-Shih Ding, the former Foreign Minister of the Republic of China and the new Representative to the United States.

Mr. OXLEY. Mr. Speaker, I want to join my colleagues today in commending a fine diplomat from Taiwan, Dr. Fredrick F. Chien, who soon will be returning to Taipei after a distinguished career here in the United States.

For more than 5 years, Dr. Chien has ably served as Representative of the Coordination Council for North American Affairs, the unofficial embassy of the Republic of China on Taiwan. Recently, he was promoted to hold the dual offices of Minister of State and chairman of the Council for Economic Planning and Development in Taipei.

One of Dr. Chien's new responsibilities will be United States-Taiwan trade relations. I have no doubt that his ideas and suggestions will be a positive influence for the continued improvement of United States-Taiwan trade. More progress is needed; however, we have seen improvement in the first two quarters of this year, and I am confident that Dr. Chien will do his best to promote fair trade between our two countries.

Dr. Chien is well-qualified for his new post. He is an American trained scholar with a rare understanding and appreciation of the U.S. political system. He is a student of American culture, economics, and political affairs. He knows the workings of a free democracy from his experiences here and from his strong support for social and political democratization in modern Taiwan. During the past several years, he has been deeply immersed with trade and economic matters involving the United States and Taiwan.

Dr. Chien has consistently reminded United States negotiators, American business, and the American people of the mutual benefits of close and friendly United States-Taiwan relations. He deserves credit for encouraging Taiwan to relax duties earlier this year on more than 3,500 import items, just one example of his calm and realistic approach.

The question of how unofficial contacts will be carried out with another nation has presented sensitive problems. Dr. Chien has admirably succeeded in that task. Issues of trade, military sales, and human rights have been resolved amicably and satisfactorily between the United States and Taiwan during recent years thanks in large part due to Dr. Chien's professional contributions.

Fred and Julie Chien will be missed by all of us who knew them here in Washington. We send them off to Taipei with our best wishes for continued success as we look forward to continuing to work with them.

Mr. SCHAEFER. Mr. Speaker, I would like to take this opportunity to express my deep appreciation for the efforts of Dr. Fredrick Chien on behalf of the Coordination Council for North American Affairs. Dr. Chien and his wife Julie are returning to Taiwan, and I am sure I speak for my colleagues in expressing to them our best wishes.

As a son of a university professor at the time of the Communist threat, Dr. Chien's family was evacuated from Peking, and in 1949 they arrived in Taipei. After earning his Ph.D. from the Yale School of International Relations in 1961, his detailed knowledge of the United States led him through many top positions within the Government of the Republic of China. Since 1983, Dr. Chien has worked through the CCNAA to maintain the close political and economic ties between the United States and the Republic of China.

Despite the tragic break in diplomatic relations in 1979, the United States and the Republic of China have continued close cooperation through the American Institute in Taiwan, and the CCNAA. Although Dr. Chien will be leaving, our two countries will continue this close relationship through these two organizations. As a major economic power in the Pacific region, the prominence of the Republic of China will continue to grow, and the early work of Dr. Chien on behalf of both nations will be even more deeply appreciated.

Again, I would like to express my warm regard for Fredrick and Julie Chien, and wish them every success on their return to Taiwan.

Mr. BROOMFIELD. Mr. Speaker, I am pleased to join our colleagues in bidding a fond farewell and proclaiming a "job well done" to a consummate diplomat and our good friend, Dr. Fredrick Chien, of the Republic of China.

Almost from the time that Fredrick Chien earned his Ph.D. in international relations from Yale in 1961 and joined the Foreign Ministry of the Republic of China, Dr. Chien has worked to foster better relations between our two countries. During the now, 2½ decades of his diplomatic career, Fredrick Chien has seen major changes in the relationship between our two countries. But in large part because of his skill in explaining his Government's position and in explaining the United States perspective to his Government, the sound bonds between our two countries have been maintained.

Especially during the 1970's, United States relations with the Republic of China were in transition. Fredrick Chien, serving first as the Director of North American Affairs in the Ministry of Foreign Affairs, and then as the Senior Vice Foreign Minister, skillfully helped our two countries bridge this difficult period in our relations and maintain the deep bonds of friendship that connect the United States and the Republic of China.

In 1983, Fredrick Chien became the Republic of China's representative to the Coordination Council for North American Affairs. Again he was the right man in the right spot as trade questions threatened the friendly relations between our two nations. Because of Fredrick Chien's skills, we have been able to disagree, to negotiate and resolve differences without the serious acrimony that is always potentially there. While trade disagreements still continue to exist, Fredrick Chien has helped to foster a sound basis on which to continue our negotiations.

Mr. Speaker, I have only the deepest respect and friendship for Fredrick Chien. His skills have benefited both our nations over the years. I understand he will be taking up new responsibilities that will place him in the forefront of the continuing political and economic developments of Taiwan, and I know he will once again be the right man in the right spot. I wish him well in his new position, and wait with his many friends in the United States to welcome him on his next visit here.

Mr. SUNDQUIST. Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON] and the gentleman from California [Mr. COELHO] for taking the time to honor the service of Dr. Fredrick Chien as Representative of the Coordination Council for North American Affairs. Dr. Chien assumed his duties here in Washington during the same month that I came to the House of Representatives. Throughout these 6 years, he has been a friend and a trustworthy advocate for the Republic of China. He has earned the respect and high regard of our Government—both in the Administration and throughout Congress—and will be missed.

Dr. Chien has had a life and career that reflects the high degree of motivation and aspirations of the people of the country he represents. The descendent of a long line of public servants, he was a translator and confidante of President Chiang Kai-shek and served as Taiwan's official spokesman. While I am disappointed to see him leave Washington, I am pleased that he will continue his service as Minister of State and as chairman of the Council for Economic Planning and Development. President Lee will be served well by filling this post with a man of Dr. Chien's experience and distinction.

I applaud Dr. Chien because he has done much more than serve as an able spokesman for the Government of the Republic of China. He has bravely fought for the kinds of changes in Taiwan that are essential for the evolution of democracy and continued friendship with the United States. I look at the most important and beneficial changes that have come to Taiwan in the past 2 years: the lifting of martial law, the loosening of currency controls, and the more realistic approach toward Mainland China. These are extremely positive developments, and Fred Chien was among the principle moving forces behind these changes. I trust that this enlightened approach toward policymaking will be enhanced with Fred Chien as Minister of State.

No doubt, there have been serious problems—primarily in the trade area—with Taiwan, and these problems will not disappear overnight. But as we Members of Congress have learned much from Dr. Chien, I know that he, too, has gained wisdom from his day-

to-day contracts with Congress. In that sense, we can all be assured that he will work constructively to bridge the differences that exist in our relationship.

Because of the unique relationship between our two countries, Dr. Chien has been forced to walk a tight rope of diplomacy. Aside from the delicate issue of trade, he has admirably addressed sensitive issues such as military sales and human rights. He oversees one of the most capable staffs in all of diplomatic Washington, and they have served him and their country very well.

As Fred and Julie Chien depart Washington, I wish them great success in their new and important endeavors. With persons of his quality in leading positions in Taiwan, I am confident that his country will live up to its designation as "Free China."

Mr. ARCHER. Mr. Speaker, there can be very few Members of the House who have not had the chance to get to know Dr. Frederick F. Chien during the 5½ years that he has served Taiwan as Representative of the Coordination Council for North American Affairs' Office in the United States. He has been an able spokesman for his government and a distinguished member of the diplomatic community.

I am pleased to see that his government is seeking to use his many talents by appointing him to hold the dual offices of both Minister of State and Chairman of the Council for Economic Planning and Development. He will undoubtedly be a continuing credit to his nation and to the causes which he has so ably promoted during his years in the United States.

It has been my pleasure to know Fred and to appreciate his fine work not only on behalf of the people of Taiwan but also on behalf of causes that we both endorse. He has been a tireless proponent of good relations between Taiwan and the United States. He has traveled throughout our country promoting the interests of Taiwan and the deep ties that exist between his nation and ours. He has been ever faithful to the goal of the free flow of goods between nations and has consistently recognized the need for our bilateral trade to be a true "two-way street." On many occasions, I have contacted him to suggest that U.S. industries and products could meet the needs of his government and his country's economy. I have always been impressed by the diligence with which he has followed through on those requests. He has been a forceful advocate within his government for correcting our current imbalance through increased purchase of U.S. products.

Fred has creditably served his country with both distinction and perserverence. He can be described as both a consummate diplomat and a true gentleman.

The loss of his presence here in Washington will be felt by all who have had the opportunity to know and respect him. That loss is tempered by the knowledge that his new positions will give him an increased role in promoting freedom and free enterprise within Taiwan and a continuing opportunity to promote the tremendous goodwill that exists between his nation and ours.

I would like to extend to him and his wife my best wishes as they leave Washington to assume their new and challenging responsibilities in Taiwan.

Mr. ACKERMAN. Mr. Speaker, I am pleased to participate in this special order to honor Dr. Fredrick Chien, the Republic of China's Representative to the Coordination Council for North American Affairs [CCNAA].

Dr. Chien arrived in our Nation's Capital in 1983, the same year I was first elected to Congress. As a member of the Foreign Affairs Subcommittee on Asia and the Pacific and as a Representative from a district with a vibrant and active Asian community, I came to know Dr. Chien quite well in the 5 years we have served in Washington. He was always very friendly, very hospitable, and extremely knowledgeable about the complex relationship between the Republic of China and the United States. Largely because of Dr. Chien, Members of Congress always felt welcome calling on CCNAA for assistance and advice.

While I am sad to see Dr. Chien go, I am pleased that he will return to Taipei to serve as the Minister of State and Chairman of the Council for Economic Planning and Development. Dr. Chien's promotion to this extremely influential position demonstrates how successful and effective he was in his post in Washington. Dr. Chien will now have even greater influence in future Washington-Taipei relations, particularly in the areas of economic growth and trade. I extend my sincere congratulations to Dr. Chien for his promotion to this most important position.

These are very exciting times in Taiwan and I'm sure that Dr. Chien will use his considerable knowledge and expertise to help promote effective policies on trade and foreign relations. Many young politicians have recently been elected to the Central and Central Standing Committees. This is certain to bring lively debate to Taipei and will visibly demonstrate Taiwan's commitment to democratic traditions. All of us will miss our good friend Dr. Fredrick Chien but we are heartened by the knowledge that he will serve his country as ably in Taipei as he did here in Washington.

Mr. RODINO. Mr. Speaker, I want to thank the gentleman from California for arranging this special order to pay tribute to our good friend Dr. Fredrick Chien. Dr. Chien, who has so ably represented the Republic of China in Washington for the past 5 years, will be returning to Taipei where he has been appointed to serve as Minister of State and Chairman of the Council for Economic Planning and Development.

When Fred Chien came to Washington in 1983, he had already distinguished himself as one of the Republic of China's outstanding public officials. He served as interpreter to the late President Chiang Kai-shek and as the spokesman for Premier Chiang Ching-kuo. Fred was also Director General of the Republic of China Government Information Office and Senior Vice Minister of Foreign Affairs.

Fred's challenge as the Republic of China's representative at the Coordination Council for North American Affairs in Washington was to build upon the traditional ties of friendship between the United States and Taiwan and to strengthen this relationship.

It was a task that Fred was uniquely qualified to fulfill. He understood the dynamics of the American legislative process and he quickly developed an effective liaison in the Congress. With his sincerity and breadth of knowledge, Fred enriched relations between Taipei and Washington by effectively forging mutual cooperation in many areas including culture, economics, and science. He was a valued counselor in helping Americans better appreciate the concerns of Taiwan and to understand the changes taking place there—changes which Fred was helping to influence. Fred worked diligently and successfully to improve trade relations between our two nations. Most important, he reminded us all that Taiwan has always been a faithful friend of the United States and that this partnership must continue to flourish.

Fred's return to Taiwan to serve as Minister of State and Chairman of the Council for Economic Planning and Development is a reflection of his talent as a statesman and a political leader. He leaves behind a legacy of tangible achievements as the assumes his important new responsibilities and continues to make even greater contributions to his nation.

Mr. Speaker, Fred Chien has earned our respect and our genuine affection during his tenure in Washington. It has been a great privilege to know Fred and his lovely wife Julie and to enjoy their warm hospitality at Twin Oaks. We will miss their charm, their wit, and their kindness. I want to wish a fond farewell to the Chiens and extend to them my very best wishes for many more years of outstanding and dedicated public service.

Mr. DEWINE. Mr. Speaker, I am pleased to join with my colleagues today in honoring a friend and deeply respected diplomat, Dr. Fredrick Chien, who is returning home to Taipei after completing 5 years of distinguished service in Washington. Dr. Chien has served as the Republic of China's envoy to the United States since 1983 in his capacity as Representative of the Coordination Council for North American Affairs [CCNAA].

Upon his return, Dr. Chien will assume the positions of Minister of State and Chairman of the Council for Economic Planning and Development. In his cabinet posts, Dr. Chien will continue to work closely on United States-Taiwan trade relations.

Those of us who know Fred are keenly aware of his interests in maintaining and strengthening the relationship between Taiwan and the United States. Fred Chien has been very responsive to congressional concerns over our bilateral trade deficit. Dr. Chien was instrumental in encouraging Taipei to relax its duties this year on many import items. Recent trade data seems to suggest an increase in United States exports to Taiwan. During his tenure, Taiwan has made greater efforts to buy American goods. Having worked with Fred in the past, I am confident that he will continue to encourage fair trade practices and to improve the friendship between Taiwan and the United States in his new duties.

We will all miss our good friend Fred Chien. As he departs to undertake new challenges, I wish him the best for the future and thank him for his distinguished service here in Washington.

Mr. FAUNTROY. Mr. Speaker, it is fitting that the House has reserved this time today to commend an outstanding diplomat, Dr. Fred

Chien, who has served since 1983 as Representative of the Coordination Council for North American Affairs. As everyone knows, the CCNAA represents the interest of Taiwan in the United States.

Fred will return to Taipei to take up the position of Minister of State and Chairman of the Council for Economic Planning and Development of the government formerly recognized by the United States as the Republic of China. Thanks to the parallel appointment to the cabinet position of Minister of State, Dr. Chien, as Chairman of the Council, can call cabinet officials together for meetings on economic issues of vital importance, high on the list of which is expected to be the subject of United States-Taiwan trade relations.

Mr. Speaker, I know that Fred Chien will bring to this new calling all his recognized qualities of dignity, intelligence, professionalism, and vision that have marked his past record in several difficult activities. Dr. Chien has held the sensitive post, for example, of English language interpreter to the late President Chiang Kai-shek, and later he served as Vice Minister of the Ministry of Foreign Affairs.

Like his father, who passed away a few years ago, Dr. Chien is a scholar. Both were university professors, his father having been head of the Academia Sinica, the foremost scholarly research institution in Taiwan. Fred himself holds masters and doctorate degrees from the Yale School of International Relations.

Mr. Speaker, it is fair to say that during his service as Representative of the CCNAA, Dr. Chien has proven to be an eloquent spokesman for his country and has generated a great deal of goodwill toward Taiwan. Fred's public speeches are always well informed.

Those who have heard Fredrick Chien speak either at informal gatherings or public events are ever impressed with his ability to use the latest data, the most current world events, and new insights or points in his talks.

Always the gentleman, he patiently describes the growing new importance of the Pacific Rim region to the United States and stresses the mutual benefits of friendly United States-Taiwan relations. He is so successful at this that Members of Congress who were in the House or Senate in 1979 and can remember the pains with which we crafted the Taiwan Relations Act might see Fred Chien as the living embodiment of congressional design to preserve lasting contacts with people whose government had just lost official recognition by the United States.

Mr. Speaker, I would suggest that Dr. Chien is symbolic of the newly industrialized, newly democratized economy and society on Taiwan. Many progressive reforms have occurred in Taiwan since Fred Chien took office in Washington in January 1983. Martial law under the emergency decree of December 10, 1948, was repealed. The system of newspaper restrictions has been deregulated. Pluralist political parties have been formed and their candidates elected to public office. Foreign exchange controls have been lifted. Several trade barriers have been dismantled. And, at long last, a plan of parliamentary reform has been approved by the majority Kuomintang Party.

Much of the credit for these steps must go to the initiatives begun by the late President and now President Lee Teng-hui. Nevertheless, it is common knowledge that one of the steadfast voices counseling for positive, rational change has been Fred Chien.

Mr. Speaker, I hope Dr. Chien will succeed as well in his new positions of honor and responsibility as he has in every other task undertaken throughout a distinguished career. I send both Fred and his wife, Julie, the very best of wishes for their future and the future of United States-Taiwan relations.

Mr. DREIER of California. Mr. Speaker, I wish to add my name to the list of Americans who appreciate Dr. Fredrick Chien's contributions to his country, the Republic of China, and to the United States.

It is important to note that Dr. Chien has served his Government in Washington during a difficult period in our relations, following President Carter's decision to move the American Embassy to Bejing. Since the Taiwan Relations Act of 1979, providing for the operation of continued, close relations between Taiwan and the United States, the American Institute in Taiwan [AIT] and the Coordination Council for North American Affairs [CCNNA] have taken the place of our formal diplomatic relations. In his capacity as Representative of the CCNAA since January 1983 Dr. Chien has been a strong advocate of expanded economic ties between our countries and an especially effective negotiator in mutual trade matters. He has made many friends in the American diplomatic and business communities which have moved our relations forward despite the shadow of our unofficial diplomatic relationship.

In addition, having received two advanced degrees in the United States, Dr. Chien understands our culture and American politics, past and present. Dr. Chien has a deep appreciation for the rights which Americans take for granted and is an outspoken leader for human rights in his country. Dr. Chien will take his knowledge of the United States with him when he returns to Taipei to resume his new responsibilities.

As the new Minister of State and Chairman of the Council for Economic Planning and Development, Dr. Chien will be in the forefront of the continuing political and economic development of Taiwan. Working together, we can move even closer on the important issues of the day and nurture the lasting friendship between our people. I wish Dr. Chien well and look forward to working with him in the future.

Mr. HORTON. Mr. Speaker, I rise today to reflect the accomplishments of Dr. Fredrick Chien, the Representative for the Coordinating Council for North American Affairs for the Republic of China. As you know, Dr. Chien has recently been appointed to serve as Minister of State and Chairman of the Council for Economic Planning and Development for Taiwan.

I would like to take a few moments to reflect on some of the accomplishments of Dr. Chien. During his career in public service, which started over 25 years ago, he has served in many capacities. Early on, he was the personal translator for then President Chiang Kai-shek. He also served in the Foreign Ministry as the Director of North American Affairs and as Senior Vice Minister. Since 1983, he has served in this country in his present capacity as the de facto ambassador for his nation.

During his time here in Washington, Dr. Chien was known for his cooperative style which helped ease the problems associated with the change in American diplomatic recognition from Taiwan to the People's Republic of China. He made it possible for Members to maintain a positive, working relationship with the governments of both nations. This was not an easy task.

When my wife Nancy and I visited Taiwan a few years ago, we were accorded warm hospitality and friendship. Dr. Chien's office made the arrangements which enabled us to learn more about Taiwan and its rich culture, government, and society. I want to take this opportunity to thank Dr. Chien again for all of his help.

Dr. and Mrs. Chien's departure creates a void in Washington's diplomatic circles where they have helped to cement the relationship between our two nations. I hope that Dr. Chien's successor will enjoy his new post and trust that he will be able to fill this void. I also want to wish Dr. Chien luck in his new post and look forward to working with him again in the future.

Mr. FASCELL. Mr. Speaker, I would like to join in the chorus of praise for Dr. Fredrick P. Chien, who is returning to Taipei after nearly 6 years of outstanding service as Taiwan's representative to this country. As Representative of the Coordination Council for North American Affairs [CCNAA], Dr. Chien has worked tirelessly and effectively to improve relations between Taiwan and the United States despite the strain that inevitably resulted from our association with mainland China.

Dr. Chien brought to this task a deep appreciation for this Nation's institutions and a sensitivity to our mutal concerns, particularly in the area of trade. While many issues in the trade imbalance between our two nations still must be resolved, Dr. Chien rightly deserves much of the credit for encouraging Taipei to relax duties earlier this year on more than 3,500 import items and to allow the new Taiwan dollar to appreciate by more than 40 percent since mid-1985.

On issues ranging from trade restrictions to human rights, Dr. Chien has been an articulate spokesman for his nation's point of view, while remaining sensitive to the U.S. needs and policies; he has worked effectively to resolve differences to the satisfaction of both countries.

I have always found Dr. Chien well informed, cooperative, amiable and dedicated to the cause of freedom around the world. I wish Fred and Julie Chien every success in the future. They will be missed.

Mr. GARCIA. Mr. Speaker, for over 5 years the Government of Taiwan through its representating body in Washington, the Coordination Council for North American Affairs, has been fortunate to have Dr. Fred Chien as a spokesperson.

For those of us who have been fortunate enough to know and work with Fred, we have come to respect not only him but the growing economic clout of Taiwan. As one who has

visited Taiwan, I can assure first hand that it is truly an emerging economic power.

Earlier this year, my subcommittee, the Banking Subcommittee on International Finance, Trade, and Monetary Policy, held a hearing on the four newly industrialized countries—or economies—of Asia [NIC's or NIE's]. Because of that hearing, I came to appreciate the hard work and effort that went into the building of these nations' economic power. Fred Chien exemplifies that work ethic; he has tirelessly represented his nation's interest, at times to less than receptive audiences. Yet, no matter the situation, Fred has never failed to be pleasant and informative as to his country's point of view.

It has been a pleasure to know Fred Chien. I am certain that he will go on to bigger and better things back in Taiwan. He will surely be missed in Washington.

Mr. DARDEN. Mr. Speaker, today we are bidding farwell to Dr. Fredrick F. Chien, who has served for more than 5 years as the representative to the United States from the Republic of China on Taiwan. During his time in the United States, I have had the pleasure of working with Dr. Chien on many occasions, and will greatly miss his presence in our Capital city.

The Republic of China and the United States have been allies for many decades. Dr. Chien has diligently worked to solidify the strength of that alliance by forging new, mutually beneficial economic ties between our countries. I have always found him to be accessible, well-informed, and gracious.

Dr. Chein is returning to his country to accept an appointment by the Republic of China's President, Lee Teng-hui, to become Chairman of the Council for Economic Planning and Development. He has been an asset to his country during his years in Washington, and I am certain he will continue to represent the Republic of China on Taiwan well in his new capacity.

Mr. Speaker, I join my colleagues in commending Dr. Chien for his years of outstanding accomplishment here in Washington, and in wishing him well as he undertakes his new responsibilities.

Mr. FRENZEL. Mr. Speaker, Dr. Fredrick Chien is well known in Washington as the Republic of China's representative at the Coordination Council for North American Affairs. More than that, Fred is a friend of the United States, and a personal friend of many of us in the Congress.

Dr. Chien has enjoyed great success in his current position. Therefore, his new assignment as Chairman of the Council for Economic Planning and Development for the Republic of China, in Taiwan comes as no surprise. His friends knew his ability would inevitably move him into better jobs.

I am pleased that Fred Chien is moving into a position where he can serve his country better, and, at the same time, serve the relationship between the United States and Taiwan better, too.

On a personal basis, Mrs. Frenzel and I wish Fred and Julie the very best, and we thank them for a job well done in Washington.

Mr. DEWINE. I am pleased to join my colleagues today in honoring a friend and deeply respected diplomat, Dr. Fredrick Chien, who is returning home to Taipei after completing 5 years of distinguished service in Washington. Dr. Chien has served as the Republic of China's envoy to the United States since 1983 in his capacity as representative of the Coordination Council for North American Affairs [CCNAA].

Upon his return, Dr. Chien will assume the positions of Minister of State and Chairman of the Council for Economic Planning and Development. In his cabinet posts, Dr. Chien will continue to work closely on United States-Taiwan trade relations.

Those of us who know Fred are keenly aware of his interests in maintaining and strengthening the relationship between Taiwan and the United States. Fred Chien has been very responsive to congressional concerns over our bilateral trade deficit. Dr. Chien was instrumental in encouraging Taipei to relax its duties this year on many import items. Recent trade data seems to suggest an increase in United States exports to Taiwan. During his tenure, Taiwan has made greater efforts to buy American goods. Having worked with Fred in the past, I am confident that he will continue to encourage fair trade practices and to improve the friendship between Taiwan and the United States in his new duties.

We will all miss our good friend Fred Chien. As he departs to undertake new challenges, I wish him the best for the future and thank him for his distinguished service here in Washington.

Mrs. LLOYD. Mr. Speaker, as you know, our friend Dr. Fredrick Chien, will soon be leaving Washington to return to Taiwan, where he has been appointed to serve as Minister of State and Chairman of the Council for Economic Planning and Development.

Dr. Chien has admirably served as the Republic of China's representative at the Coordination Council for North American Affairs since 1983. Almost immediately after arriving in the United States Dr. Chien won the support, confidence, and respect of his colleagues and acquaintances in his handling of his job. Associates have been impressed with his keen mind, calm under pressure, and take-charge approach to his work. Dr. Chien's dedication to improving relations between Taiwan and the United States has been unfailing. The task has not been easy.

During Dr. Chien's 5-year tenure at the Coordination Council for North American Affairs dramatic political events have unfolded in Taiwan, while trade relations between Taiwan and the United States have intensified. Understanding these political and economic developments has not been easy. Dr. Chien has faithfully and adroitly interpreted these events. Indeed, Dr. Chien has been a good friend to the United States. His insight and presence will be missed, but his friendship will not be lost.

Dr. Chien returns to Taiwan to serve as Minister of State and Chairman of the Council for Economic Planning and Development. His new responsibilities will place him in the forefront of the continuing political and economic development of Taiwan. Dr. Chien's firm belief in democratic values and his political moderation insure that he will continue to be a good friend to the United States. I would be surprised if Dr. Chien's future were anything but bright, and consequently, I expect Taiwan's economic and democratic institutions to thrive.

Mr. Speaker, distinguished colleagues, it is fitting that we, and the American people, take this time to salute and thank Dr. Chien. He has been a good friend to many Members of this legislative body, and to the United States. I wish him, and his country, well.

Mr. CRANE. Mr. Speaker, I first met Dr. Fredrick Chien in 1983 when he came to Washington, DC, to serve as the Republic of China's representative at the Coordination Council for North American Affairs. Freddie, as he was affectionately known, served the Republic of China with distinction and became a friend of Members of Congress on a bipartisan basis.

The possessor of a Ph.D. which he earned at Yale University in 1961, Fred is as American as he is Chinese in his understanding of U.S. culture and traditions. Yet, he served in the Foreign Ministry of the Republic of China in the 1960's and was a personal interpreter for President Chiang Kia-shek in the middle of that decade. HIs talents were rewarded in 1969 with an appointment as Director of North American Affairs in the Foreign Ministry. Prior to his assignment in Washington he was promoted to the position of Vice Foreign Minister and later Senior Vice Minister.

Dr. Chien, after 5 years of devoted service to his homeland and people, has now been elevated to an even higher level of distinction, Minister of State and Chairman of the Council for Economic Planning and Development in Taiwan.

Dr. Chien has been a valuable friend and adviser to our Government in helping us to understand the momentous developments that have occurred on Taiwan during his tour of duty in the United States.

We are pleased over Freddie's promotion, but we shall miss his cheerful presence and wise counsel. I have had the pleasure of visiting Taiwan half a dozen times since 1970 and will look forward, upon the occasion of future visits, to participate in a warm reunion with Fred and his lovely wife, Julie, in Taipei. We wish you Godspeed, Fred, and the best of luck in your new assignment. We know, based upon your history, that you will serve in this challenging capacity with the same distinction you have thus far achieved in over a quarter of a century of dedicated public service.

Mr. LOWERY of California. Mr. Speaker, I want to join my colleagues in offering congratulations and best wishes to Dr. Fred Chien on his appointment as Minister of State and Chairman of the Council for Economic Planning and Development for the Republic of China. Equally as important, I want to thank Fred Chien for his fine work as the representative of the Coordination Council for North American Affairs. We greatly appreciate his professional assistance on United States-Taiwan relations and the many personal kindnesses he has shown to us during his years here in Washington.

The importance of building a healthy economic relationship between the United States and the Republic of China is obvious. Because of the prominence of trade issues between America and Taiwan, we sometimes overlook the vital democratic values and com-

mitment to freedom we share with the Taiwanese. Fred Chien has worked to preserve and enhance not only the economic, but the political and social ties between the American people and the people of Taiwan.

While there are differences on trade issues between our two nations, recent statistics indicate that United States exports to Taiwan are increasing and we are making progress on reducing Taiwan's trade surplus with the United States. Fred Chien has been an important part of the effort to balance our trade relations and we look forward to his leadership as Chairman of the Council for Economic Planning and Development.

In closing, Mr. Speaker, although we may differ on specific political and economic questions, the United States and the Republic of China are allies that can and will work together to reduce our differences and achieve our common goals. This task has been made easier by the honest, intelligent, and energetic efforts of Dr. Fredrick Chien. We will miss his presence, but we look forward to a continued partnership benefiting our two nations.

Mr. HOPKINS. Mr. Speaker, I rise today to join with my colleagues in recognizing Dr. Fredrick Chien as he returns to the Republic of China to take up the positions of Minister of State and Chairman of the Council for Economic Planning and Development.

I wish to express my personal appreciation to Fred for his friendship, his unfailing spirit of cooperation, and his undaunted crusade to inspire America's continued support for the Republic of China.

Despite the absence of formal diplomatic relations between the two countries, Dr. Chien has been successful in expanding the economic and philosophical ties between our countries.

Since coming to Washington in 1983, Dr. Chien has worked diligently to strengthen the friendly and mutually productive relations between the United States and Taiwan.

It is worth noting that United States-Taiwan trade has more than doubled since 1982, just before Fred came to Washington, from $13.7 billion to $32 billion in 1987.

We look to the next decade with pride and with hope that Taiwan, as one of the leading newly industrialized powers in the Pacific Rim basin, will continue to be a valued trading partner and ally.

Today, Taiwan is a shining showcase of the rewards of personal and economic freedom.

And I am confident that with his new assignment, Fred Chien will be a driving force not only in the continuing progress of his nation, I believe he is destined to be a leader in the worldwide movement toward free enterprise and democracy, as well.

And so, Mr. Speaker, I would like to extend my best wishes to Dr. Fred Chien and his family as they return to the Republic of China and take this opportunity to thank him for his kindness and friendship over the past 10 years.

## GENERAL LEAVE

Mr. COELHO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore (Mr. HUTTO). Is there objection to the request of the gentleman from California?

There was no objection.

## CURRENT ISSUES FACING AMERICAN STEELMAKERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 60 minutes.

Mr. GAYDOS. Mr. Speaker, I am here with my colleagues, Congressmen JACK MURTHA and RALPH REGULA, to put some of what we learned at last Tuesday's steel caucus hearing in the RECORD.

At that meeting we gave the presidents and CEO's of several of America's major steelmakers a chance to talk with us about important steel issues. The men who testified were:

Thomas Graham, president of the United States Steel Division of USX;

Walter Williams, chairman of Bethleham Steel;

David Hoag, president of LTV Steel;

Joseph Toot, president of the Timken Co.;

Jim Chenault, president of Lonestar Steel;

Frank Luerssen, chairman of Inland Steel;

Bob Wilson, chairman of Lukens Steel; and

Tom Moore, CEO of Cleveland Cliffs Iron Ore Co.

These witnesses gave us insiders' perspectives on topics including: pollution control; the United States-Canada Free-Trade Agreement; steel supply problems; and the extension of the steel voluntary restraint agreements which expire in September 1989.

Steelworkers are very concerned about these same issues. In the New York Times last Sunday, U.S. Steelworkers Union president Lynn Williams said, "The voluntary restraint agreements have been a principal element in the modest recovery of the steel industry."

He also mentioned that the U.S. steel industry has been hurt by foreign governments which either own or subsidize their steel mills. Since the American steel industry is privately owned, we need some way to keep unfairly priced foreign steel from putting our steelmakers out of business.

Tom Graham, president of United States Steel, addressed some of the same issues at our steel caucus hearing. His written remarks cover the VRA treaties, short supply, and the United States-Canada Free-Trade Agreement, which the House debated just today. I believe his comments are very timely so let me quote from his testimony:

THE VRA PROGRAM, THE SHORT SUPPLY PROBLEM, AND THE UNITED STATES-CANADA FREE-TRADE AGREEMENT

(By Thomas C. Graham)

It's a pleasure to be here this morning. I'd like to begin with a brief discussion of the VRA Program; what it means to the steel industry; and why we think this program must be extended.

As you know, the United States now has 20 VRA's with major steel-exporting countries. They limit by product and country the amount of steel that can be imported each year into the United States, and they didn't just happen by accident. They were the direct result of support by the steel caucus and of two important determinations in 1984: a Presidential finding that foreign governments and steel producers had engaged in massive unfair trading; and a section 201 finding by the I.T.C. that disruptive levels of steel imports were a "substantial cause of serious injury" to the domestic industry.

It's critical to remember that pervasive foreign dumping and subsidization of steel imports in violation of both U.S. and international trade rules is what enabled steel imports to exceed 30 percent of the U.S. market in the fall of 1984. It's what contributed to the domestic industry's losses of $12 billion between 1982 and 1986. And it's what ultimately led foreign governments to the VRA negotiating table once the President decided to provide for what he termed "a comprehensive solution" to the steel import problem. It's also critical to recall why the President called for VRA's and not for a trade law solution. He did so because—and I quote—"The regular unfair trade practice machinery had been slow, cumbersome and incomplete. . . ." The fact is that, while no industry has used the trade laws more than steel—we have filed well over 500 cases since the 1960's—these laws by themselves have not been sufficient to resolve the problem of pervasive unfair trade. That's why the steel industry believes so strongly in, and will be working in the next Congress for, reform of our unfair trade laws. As just one example, we feel that, once a positive finding of injury has been made in an unfair trade case, the applicable penalty must be made fully retroactive.

The VRA Program is also not without its problems. It had little beneficial impact in its first two years; non-VRA countries continue to impair its effectiveness; and, since October 1984, over 8 million tons more of finished steel have been imported than was the administration's "expected result." Nevertheless, there is little doubt that this program is today the most effective steel trade policy the United States has ever had.

In fact, it has created a public policy environment that—along with the lower value of the dollar—with the lower value of the dollar—has been crucial to our industry's ongoing restructuring and modernization efforts. By helping to reduce imports from the 30-percent range of late 1984 to roughly 21 percent today, the VRA Program has created a modicum of market stability and has helped to arrest the condition of virtual self-liquidation that our industry was in just a few years ago. Critically, too, it has enabled us to take major steps toward improving our international competitiveness. In so doing, it has been good for our customers, good for our national security, and good for our entire U.S. manufacturing base.

Don't forget that VRA's have been the single principal factor in the industry's ambitious agenda of self-help efforts. Every year the U.S. Trade Representative's office has determined that we have more than met the reinvestment commitment that is contained in the Steel Import Stabilization Act of 1984. As a result, we're now the world's most efficient steel industry in terms of labor productivity. We're internationally competitive in terms of cost—currently beating Japan by a significant margin. And our product quality is as good as any steelmaker's in the world—which is why G.M.'s Roger Smith now says that steel "is a more

competitive material than even its most enthusiastic supporters had thought."

That brings me to the issue of continued progress—why we believe the VRA Program must be extended, and improved to include major steel-exporting countries. First, we still have a long way to go before we're competitive internationally in every respect, and to that end we're committed to a policy of steel reinvestment in any extended VRA Program. Second, we've only recently returned to modest profitability; our balance sheets are still very fragile; and most analysts see a market downturn in the relatively near future. But third—and above all else—the conditions that gave rise to the VRA Program in the first place—foreign government intervention, foreign unfair trade practices, and worldwide excess capacity—have not disappeared.

As a result, I expect that companies in the industry will be fully prepared to use the trade laws if necessary in order to ensure that the U.S. market does not revert to being the world's steel dumping ground. I also believe, however, that massive trade litigation has the potential for creating significant market uncertainty that is not in the best interest of either our customers or our trading partners.

Before leaving this issue, I'd like to add a point on the politics of VRA extension. The domestic steel industry is very grateful that Governor Dukakis has stated his support for continuing the VRA's, and we're hopeful that Vice-President Bush will also come out for extension before too long. Let's not forget that—for products such as steel, which are in worldwide over-capacity—systems like VRA's are needed most during periods of market downturn when foreign dumping of excess capacity is at its worst.

Turning to a second and related issue, we think it's vital to address critics of VRA extension who contend that the VRA Program has harmed our customer base by causing severe shortages and steep price hikes. This issue is critical, because our customer base is our future—and it's certainly not in our best interest to support public policies that hurt our customers.

What we've seen over the last year has been unexpectedly strong steel market demand not only in the United States but throughout the world. The VRA Program did not cause this market tightness—witness last year, when VRA export certificates equal to 400,000 to 500,000 tons went unused. The program anticipated tight market conditions. However, every VRA contains a "short supply provision." Under this provision, which we fully support and would like to see continued in an extended VRA Program, the Commerce Department has granted short supply requests totalling over 900,000 tons so far this year—mostly for semifinished steel. We believe that Commerce has been doing a first class job of administering the short supply provision.

With more domestic facilities coming back on stream and a recently improved short supply procedure now producing decisions within 30 days, there are fewer requests today than several months ago—and Commerce officials tell us they see the short supply issue beginning to ease. Yes, there's still talk about "short supply," but the concern today is usually about price. Last year, due to strong market demand and the lower value of the dollar, steel prices did rise about 5 percent, but prices at the end of 1987 were still 5 percent lower than they were when the VRA Program was instituted—contrary to the views of most economists in 1984 who were predicting that the VRA's would have a major upward impact on steel prices. More reflective of market realities, the Congressional Research Service concluded in March of this year that, just as VRA's have not been the cause of any serious shortages, they have also not been the cause of any significant steel price hikes.

In closing, I'd like to say a few words about the United States-Canada free-trade agreement [FTA]. Domestic steel producers greatly appreciate the longstanding concern of the caucus with Canada's non-VRA status and the continuing high level of finished steel imports from Canada. Such imports were about 2.4 percent of the U.S. market in 1983, rose to 3 percent in 1984 and 1985, increased to 3½ percent in 1986 and exceeded 3.8 percent last year. So far this year, the figure is around 3.4 percent, which is most gratifying, and we're all hoping that this downward trend continues.

U.S. steel producers, however, continue to believe that a steel VRA with Canada is essential to the goal of a more effective VRA Program, because the failure to cover such an important foreign supplier isn't equitable to those foreign governments that have negotiated agreements. Recently introduced U.S. implementing legislation now makes it clear that there is nothing in the FTA that would preclude a steel VRA with Canada. This is important because, while we currently feel it would be inconsistent with the state of steel trade between our two countries to give active support to the FTA, negotiation of a steel VRA with Canada would make it much easier to support the FTA—though we still have a number of substantive concerns with its provisions.

In that regard, we're grateful for the many efforts made by the steel caucus to improve U.S. implementing language in several key areas. We still have concerns about the failure of the FTA to deal with the exchange rate imbalance and Canadian subsidy practices, and additional concerns about FTA provisions dealing with a proposed future substitute trade law system, binational panels, and the timing of a bilateral tariff elimination. But we hope to continue working closely with you to see what can be done to minimize these problems, and to ensure that U.S. economic interests overall are well served by the agreement.

Mr. MURTHA. Mr. Speaker, Mr. Walter F. Williams, chairman and chief executive officer of Bethlehem Steel Co., addressed the environmental concerns of the Nation's steel industry. I was very impressed with the points that Mr. Williams made last week at our Steel Caucus meeting. It is essential we work out the important environmental concerns that will move us ahead environmentally but not place unreasonable burdens on business that will halt economic growth we have made.

I would like to now submit Mr. William's testimony for the RECORD.

REMARKS BY WALTER F. WILLIAMS

Thank you—and good morning to all of you.

My comments this morning will be directed at environmental issues of concern to the U.S. steel industry. I will not dwell on the past, as I believe all of us accept the fact that America's steel industry, perhaps more than any other industry, has been severely impacted over the past ten to fifteen years by the laws and regulations that have led to the cleaner environment in this country. Although the burden has been heavy, our industry has responded as responsible corporate citizens.

Particulate emissions to the air from steel plants have been reduced by over 95 percent, and the pollutants we discharge in waste water have been controlled to an even greater degree—over 98 percent. However, the costs to get there have been staggering, in that we have invested over $6 billion in pollution control facilities and now spend well over $1 billion a year in operating these systems.

We accept the fact that many of the programs were necessary for protecting the health of the people and the environment of our country. However, as we move into the 1990's, there must be a proper balance between the costs and results of additional environmental control. And, I'd suggest that the public and you and your colleagues in Congress fully recognize that our society must, in some way, pay these costs.

Today, there are activities under way to enact further environmental legislation that we believe may not strike the proper balance between costs and results. Of particular concern are amendments to the Clean Air Act.

As you know, both the House and Senate are now addressing Clean Air Act Amendments. The Senate bill, S. 1894, which has been approved by the Environment and Public Works Committee, encompasses most of the provisions now being considered in bills before the House. The five titles of this bill constitute an extensive and, in our opinion, unnecessary restructuring of the Clean Air Act. In many cases, we believe the proposed amendments inappropriately attempt to substitute unfounded congressional mandates for sound scientific data and the technical judgment and discretion of the EPA Administrator.

Title I of the proposed amendments is directed at areas unable to attain the ambient air quality standards for ozone and/or carbon monoxide. It is well known that these problems are primarily related to many diverse small sources, and not to major manufacturing sources. Yet, certain provisions appear to be aimed at large manufacturing sources, including, for example, not permitting the use of "bubbles" (I.E., the evaluation of emissions from a total plant rather than from individual sources within a plant). It would also require control of nitrogen oxide emissions, related to the ozone problem, from all combustion sources without any consideration of cost effectiveness on an industry-by-industry basis.

For the steel industry, such control could cost 10 to 75 times the cost for comparable reductions from large utility boilers—even though the steel industry is estimated to contribute only 6 percent of the nitrogen oxide emissions in the country.

Title II covers acid rain legislation, and we believe that this provision is not justified at this time because of the mixed scientific evidence. If Congress does act, in spite of the uncertainties, we estimate that the acid rain provisions, along with the nitrogen oxide controls of title I, would result in increased costs to the steel industry of about $700 million per year.

Title III deals with motor vehicles and, although controversial and costly, does not directly impact our industry.

Title IV would, without adequate scientific review or justification, require EPA to set new National ambient air quality standards on a series of arbitrary deadlines. This provision could again force vastly increased costs upon industry without the safeguards

of the existing Clean Air Act which attempts to assure that new standards are scientifically justified.

And, finally, title V would greatly expand existing legislation for dealing with hazardous air pollutants through new provisions that would add immeasurably to the development of further regulations by the EPA. This would undoubtedly lead to major disruptions in industrial operations. In particular, the risk reduction provision in its present form appears to be so onerous as to be unattainable at our cokemaking facilities, inevitably leading to their complete shutdown.

All of this would be done without detained scientific studies showing the need for these controls or documenting actual harmful effects from the emissions.

In a speech several weeks ago, Lee Thomas, Administrator of the EPA, said that we—Government, industries, and the public—face several issues as our society addresses future environmental legislation and regulations.

These include: "How clean is clean." "How much is enough?" "How much over-control do we want to pay for?", and "How do we set priorities?".

As he put it, "If everything; is a priority, nothing is a priority." We followed this with a question; "Where do we get the funds to do everything at once?"

I believe he was "right on"—we must have well documented risk-benefit data, we must set priorities based on this data, and we must decide what our society can afford.

In summary, these proposed clean Air Act Amendment could add at least $800 million per year more to our costs, Yet, we must wonder if this legislation will really add significant further protection to human health and the environment—especially when scientific data in some areas is not fully developed.

Therefore, we question whether any amendments to the Clean Air Act are necessary at this time and recommend that congress reconsider and thoroughly evaluate the issues before enacting major amendments to the already effective legislation.

I close by assuring you that we in the steel industry recognize that cleaning up our environment "is a must." We only suggest that it be done in a manner that is results oriented and affordable.

Thank you.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DORNAN of California (at the request of Mr. MICHEL) for today, on account of medical reasons.

Mr. SHUSTER (at the request of Mr. MICHEL) for today and the balance of the week, on account of his duties on the Platform Committee at the Republican National Convention.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SOLOMON) to revise and extend their remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, today.

Mr. GINGRICH, for 60 minutes, on August 10.

Mr. GINGRICH, for 60 minutes, on August 11.

Mr. PARRIS, for 5 minutes, today.

Mr. MARLENEE, for 5 minutes, today.

Mr. DELAY, for 5 minutes, today.

Mr. DELAY, for 60 minutes, on August 10.

Mr. BURTON of Indiana, for 60 minutes, today.

Mr. BURTON of Indiana, for 60 minutes, on August 10.

(The following Members (at the request of Mr. FEIGHAN) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. LIPINSKI, for 60 minutes, on August 10.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BEREUTER to revise and extend prior to passage of conference report on H.R. 5015 today.

(The following Members (at the request of Mr. SOLOMON) and to include extraneous matter:)

Mr. DENNY SMITH.
Mr. GUNDERSON.
Mr. OXLEY.
Mr. KOLBE.
Mr. LAGOMARSINO in four instances.
Mr. YOUNG of Alaska.
Mr. KEMP.
Mr. SHUMWAY.
Mr. HEFLEY.
Mr. BURTON of Indiana.
Mr. GALLO.
Mr. SOLOMON.
Mr. DORNAN of California.
Mr. ROWLAND of Connecticut.
Mr. HASTERT.
Mr. DANNEMEYER.
Mr. PURSELL.
Mr. EMERSON.
Mr. FISH.
Mr. GILMAN.

(The following Members (at the request of Mr. FEIGHAN) and to include extraneous matter:)

Mr. GUARINI.
Mr. FASCELL in six instances.
Mr. STUDDS in two instances.
Mr. LIPINSKI.
Mr. DOWNEY of New York.
Mr. AUCOIN.
Mr. TORRES.
Mr. ACKERMAN.
Mr. STARK in three instances.
Mr. EVANS in two instances.
Mr. PEPPER.
Ms. KAPTUR.
Mr. HUBBARD.
Mr. APPLEGATE.
Ms. PELOSI.
Mr. DARDEN.
Mr. CONYERS.
Mr. LANTOS.
Mr. COELHO.
Mr. UDALL.
Mr. WEISS.
Mrs. BYRON in two instances.

## SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 350. Joint resolution designating Labor Day Weekend, September 3-5, 1988, as "National Drive for Life Weekend"; to the Committee on Post Office and Civil Service.

## ENROLLED BILLS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1860. An act entitled the "Federal Land Exchange Facilitation Act of 1988";

H.R. 3932. An act to amend the Presidential Transition Act of 1963 to provide for a more orderly transfer of executive power in connection with the expiration of the term of office of a President; and

H.R. 3980. An act to make technical corrections to the agricultural credit laws.

## SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 892. An act to remove the right of reversion to the United States in lands owned by the Shriners' Hospitals for Crippled Children on lands formerly owned by the United States in Salt Lake County, UT.

## ADJOURNMENT

Mr. SOLOMON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 29 minutes p.m.) the House adjourned until tomorrow Wednesday, August 10, 1988, at 10 a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4149. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a listing of contract awards for the period September 1, 1988 to October 31, 1988, pursuant to 10 U.S.C. 2431 (b); to the Committee on Armed Services.

4150. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Army's proposed letter(s) of offer to Denmark for defense articles estimated to cost $50 million or more (Transmittal No. 88-53), pursuant to 10 U.S.C. 118; to the Committee on Armed Services.

4151. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Army's proposed letter(s) of offer and acceptance to Denmark for defense articles and services estimated to cost $61 million (Transmittal No. 88-53), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

4152. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed letter(s) of offer and acceptance to Belgium for defense articles and services estimated to cost $19 million, pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

4153. A letter from the Assistant Secretary, Legislative Affairs, Department of State, transmitting the text of a letter from the North Korean People's Assembly to the U.S. Congress; to the Committee on Foreign Affairs.

4154. A letter from the Secretary of Labor, transmitting the quarterly report on the expenditure and need for worker adjustment assistance training funds under the Trade Act of 1974, pursuant to 19 U.S.C. 2296(a)(2); to the Committee on Ways and Means.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ANDERSON: Committee on Public Works and Transportation. H.R. 2524. A bill to amend the Public Buildings Act of 1959 to permit executive agencies to have their headquarters located anywhere in the National Capital region; with an amendment (Rept. No. 100-853). Referred to the Committee of the Whole House on the State of the Union.

Mr. FROST: Committee on Rules. House Resolution 515. A resolution providing for the consideration of H.R. 4526, a bill to provide for the addition of approximately 600 acres to the Manassas National Battlefield Park (Rept. No. 100-854). Referred to the House Calendar.

Mr. JONES of North Carolina: Committee of Conference. Conference report on H.R. 2342 (Rept. No. 100-855). Ordered to be printed.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROE:

H.R. 5183. A bill to authorize appropriations to the Secretary of Commerce for the programs of the National Institute of Standards and Technology for fiscal year 1989, and for other purposes; to the Committee on Science, Space, and Technology.

By Mr. ANDERSON (for himself, Mr. HAMMERSCHMIDT, Mr. ROE, Mr. MINETA, Mr. OBERSTAR, Mr. NOWAK, Mr. RAHALL, Mr. APPLEGATE, Mr. DE LUGO, Mr. SAVAGE, Mr. SUNIA, Mr. BOSCO, Mr. BORSKI, Mr. KOLTER, Mr. VALENTINE, Mr. TOWNS, Mr. LIPINSKI, Mr. ROWLAND of Georgia, Mr. WISE, Mr. GRAY of Illinois, Mr. VISCLOSKY, Mr. TRAFICANT, Mr. CHAPMAN, Mr. LANCASTER, Ms. SLAUGHTER of New York, Mr. LEWIS of Georgia, Mr. DEFAZIO, Mr. CARDIN, Mr. GRANT, Mr. SKAGGS, Mr. HAYES of Louisiana, Mr. PERKINS, Mr. SHUSTER, Mr. STANGELAND, Mr. GINGRICH, Mr. CLINGER, Mr. MOLINARI, Mr. SHAW, Mr. MCEWEN, Mr. PETRI, Mr. SUNDQUIST, Mrs. JOHNSON of Connecticut, Mr. PACKARD, Mr. BOEHLERT, Mr. GALLO, Mrs. BENTLEY, Mr. LIGHTFOOT, Mr. HASTERT, Mr. INHOFE, Mr. BALLENGER, Mr. UPTON, Mr. CLEMENT, Mr. PAYNE, Mr. BATES, Mr. BEILENSON, Mr. BERMAN, Mrs. BOXER, Mr. BROWN of California, Mr. COELHO, Mr. DELLUMS, Mr. DIXON, Mr. DYMALLY, Mr. EDWARDS of California, Mr. FAZIO, Mr. HAWKINS, Mr. HUNTER, Mr. LANTOS, Mr. LEHMAN of California, Mr. LEVINE of California, Mr. LEWIS of California, Mr. LUNGREN, Mr. MARTINEZ, Mr. MATSUI, Mr. MCCANDLESS, Mr. MILLER of California, Mr. PANETTA, Mr. PASHAYAN, Ms. PELOSI, Mr. ROYBAL, Mr. STARK, Mr. TORRES, and Mr. WAXMAN):

H.R. 5184. A bill to designate Black Butte Lake located on Stoney Creek in the Sacramento River Basin, CA, as the "Harold T. 'Bizz' Johnson Lake"; to the Committee on Public Works and Transportation.

By Mrs. KENNELLY:

H.R. 5185. A bill to amend the Internal Revenue Code of 1986 to restore the deduction for State and local sales taxes; to the Committee on Ways and Means.

By Mr. SUNDQUIST (for himself and Mr. CLEMENT):

H.R. 5186. A bill to designate the Federal Building and U.S. Courthouse at 109 South Highland, Jackson, TN, as the "Ed" Jones Federal Building; to the Committee on Public Works and Transportation.

By Mr. TAUKE:

H.R. 5187. A bill to repeal an exception in section 313 of the Federal Election Campaign Act of 1971 that permits certain Members of Congress to use excess campaign funds for personal purposes; to the Committee on House Administration.

By Mr. YOUNG of Alaska:

H.R. 5188. A bill to direct the Secretary of Commerce to make grants for operation of export promotion vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 5189. A bill to authorize the Administrator of the Small Business Administration to make grants to eligible small businesses to facilitate their participation in mobile trade fairs; to the Committee on Small Business.

By Mr. SOLOMON:

H.J. Res. 635. Joint resolution to express the sense of the Congress that export licenses should not be granted which allow satellites manufactured in the United States to be launched by nonmarket launching entities, including the Soviet Union and People's Republic of China; to the Committee on Foreign Affairs.

By Mr. DENNY SMITH (for himself and Mr. WELDON):

H. Res. 516. Resolution requesting the Secretary of Labor to publish certain standards respecting volunteer fire departments; to the Committee on Education and Labor.

By Mr. DANNEMEYER (for himself, Mr. DORNAN of California, and Mr. HOLLOWAY):

H. Res. 517. Resolution expressing the sense of the House of Representatives concerning the movie "The Last Temptation of Christ"; to the Committee on Energy and Commerce.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mrs. VUCANOVICH introduced a bill (H.R. 5190) to facilitate certain land transactions in the State of Nevada; which was referred to the Committee on Interior and Insular Affairs.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 639: Mr. DIOGUARDI.

H.R. 669: Mr. SMITH of New Jersey.

H.R. 958: Mr. MARLENEE, Mr. LEVINE of California, Mr. SYNAR, Mr. ARCHER, Mr. DURBIN, Mr. GILMAN, Mrs. BYRON, Mr. WILLIAMS, Mr. HOLLOWAY, and Mr. VENTO.

H.R. 2148: Mr. FAUNTROY and Mr. PEASE.

H.R. 2649: Mr. SWINDALL.

H.R. 3054: Mr. MFUME and Mr. VENTO.

H.R. 3478: Mr. LENT, Mr. MCGRATH, Mr. FLAKE, Mr. GILMAN, Mr. HORTON, Mr. STRATTON, Mr. DIOGUARDI, Mr. RANGEL, and Ms. SCHNEIDER.

H.R. 3588: Mr. YATRON.

H.R. 3660: Mr. BRYANT.

H.R. 4048: Mrs. MARTIN of Illinois and Mr. SWINDALL.

H.R. 4141: Mr. BLAZ and Mr. FUSTER.

H.R. 4170: Mr. JACOBS.

H.R. 4189: Mr. BURTON of Indiana.

H.R. 4257: Mr. FROST, Mr. BEREUTER, Mrs. ROUKEMA, Mr. YOUNG of Florida, Mr. HEFLEY, Mr. THOMAS A. LUKEN, Mr. MARTINEZ, and Mr. WOLPE.

H.R. 4468: Mr. CLINGER and Mr. BARNARD.

H.R. 4479: Mr. BOUCHER and Mr. DWYER of New Jersey.

H.R. 4482: Mr. ATKINS.

H.R. 4497: Mr. MCGRATH, Mrs. MORELLA, Mr. SISISKY, Mr. THOMAS of Georgia, Mr. VALENTINE, Mr. ROWLAND of Georgia, Mr. CLARKE, Mr. ROGERS, Mr. HATCHER, Mr. HEFNER, Mr. TALLON, Mr. BUNNING, Mr. BATEMAN, Mr. SUNDQUIST, Mr. COBLE, Mr. NEAL, Mr. PRICE of North Carolina, and Mr. HUBBARD.

H.R. 4502: Mr. SKAGGS.

H.R. 4712: Mr. YATRON.

H.R. 4721: Mr. BARNARD, Mr. BRENNAN, Mr. DAVIS of Michigan, Mr. DOWDY of Mississippi, Mr. EDWARDS of Oklahoma, Mr. MARTINEZ, Mrs. MEYERS of Kansas, Mr. OWENS of Utah, Mr. SYNAR, and Mr. VENTO.

H.R. 4743: Mr. BUECHNER.

H.R. 4758: Mr. HUTTO, Mr. INHOFE, and Mr. CHAPMAN.

H.R. 4803: Mr. ACKERMAN and Mr. BATES.

H.R. 4818: Mr. SCHEUER, Mr. CLARKE, Mr. DARDEN, Mr. MURPHY, Mr. LEWIS of Georgia, Mr. DEFAZIO, and Mr. LEHMAN of California.

H.R. 4846: Mr. DOWDY of Mississippi and Mr. DWYER of New Jersey.

H.R. 4870: Mrs. MARTIN of Illinois and Mr. WOLPE.

H.R. 4881: Mr. MARTIN of New York, Mr. KOLTER, Mr. BUECHNER, Mr. DELLUMS, Mr. BONIOR of Michigan, Mrs. BENTLEY, and Mr. LEWIS of Florida.

H.R. 4889: Mr. HEFLEY.

H.R. 4898: Mrs. ROUKEMA and Mr. WORTLEY.

H.R. 4921: Mrs. BOXER and Mr. ECKART.

H.R. 4923: Mr. SLATTERY, Mr. GREEN, Mr. KOLTER, Mr. WORTLEY, Mr. MONTGOMERY, Mr. LENT, Mr. SMITH of Florida, Mr. ANTHONY, Mr. FEIGHAN, Mr. WYLIE, Mr. FRANK, Mr. DIOGUARDI, Mr. ST GERMAIN, Mr. KANJORSKI, Mr. KOSTMAYER, and Mr. RAHALL.

H.R. 4958: Mr. WILLIAMS.

H.R. 4987: Mrs. LLOYD, Mr. WILSON, Mr. LANTOS, Mr. VENTO, Mr. SMITH of Florida, and Mr. HERGER.

H.R. 5000: Mr. SPRATT and Mr. HAYES of Illinois.

H.R. 5003: Mr. DE LUGO, Mr. SMITH of Florida, Mr. CARPER, and Mrs. SAIKI.

H.R. 5017: Mr. HAMMERSCHMIDT.

H.R. 5018: Mr. MORRISON of Connecticut and Mrs. BOXER.

H.R. 5033: Mr. SCHEUER.

H.R. 5036: Mr. ACKERMAN and Mr. GUNDERSON.

H.R. 5045: Mr. RODINO and Mr. FAUNTROY.

H.R. 5050: Mr. HAWKINS, Mr. SMITH of Florida, Mr. EDWARDS of California, Mr. HORTON, Mr. MORRISON of Connecticut, and Mr. MCHUGH.

H.R. 5068: Mr. YATES, Mr. FAZIO, Mr. FRANK, Mr. GRAY of Illinois, Mr. GARCIA, and Mrs. BOXER.

H.R. 5073: Ms. SLAUGHTER of New York, Mr. ROWLAND of Georgia, Mr. TOWNS, Mr. BORSKI, Mr. SUNDQUIST, and Mr. CLEMENT.

H.R. 5121: Mr. BATES.

H.R. 5144: Mr. ACKERMAN and Mr. SMITH of Florida.

H.J. Res. 330: Mr. WYDEN, Mr. INHOFE, Mr. ANDERSON, Mrs. SAIKI, and Mr. KOSTMAYER.

H.J. Res. 501: Mr. LEVIN of Michigan, Mr. SMITH of Iowa, Mr. MCMILLEN of Maryland, and Mr. FLORIO.

H.J. Res. 520: Mrs. JOHNSON of Connecticut, Mr. ATKINS, Mr. THOMAS of Georgia, Mr. BATEMAN, Mr. FAUNTROY, Mr. FROST, Mr. HAMMERSCHMIDT, Mr. YOUNG of Florida, Mr. BERMAN, Mr. BOUCHER, Mr. CARPER, Ms. OAKAR, Mr. PARRIS, Mr. DAUB, Mr. DEFAZIO, Mr. CAMPBELL, Mr. DE LUGO, Mr. HOYER, Mr. YOUNG of Alaska, Mr. ESPY, Mr. FAZIO, Mr. DOWNEY of New York, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. GRAY of Illinois, Mr. GREEN, and Mr. FUSTER.

H.J. Res. 540: Mr. BALLENGER, Mr. GORDON, Mr. PERKINS, Mr. WISE, Mr. MARKEY, Mr. SYNAR, Mr. HENRY, Mr. STARK, Mr. GEPHARDT, Mr. SPRATT, Mr. BOULTER, Mr. VENTO, Mr. MACKAY, Mr. CLARKE, Mr. BUSTAMANTE, Mr. DURBIN, and Mr. SCHUMER.

H.J. Res. 556: Mr. ATKINS, Mr. BADHAM, Mr. BORSKI, Mr. BRENNAN, Mr. BUECHNER, Mr. CHENEY, Mr. DIXON, Mr. DORNAN of California, Mr. DYMALLY, Mr. EMERSON, Mr. FOGLIETTA, Mr. GILMAN, Mr. GRANT, Mr. GUNDERSON, Mr. HEFLEY, Mr. HOYER, Mr. KOLBE, Mr. LEWIS of California, Mrs. LLOYD, Mr. MACK, Mr. MOAKLEY, Mr. MORRISON of Connecticut, Mr. OBERSTAR, Mr. PASHAYAN, Ms. PELOSI, Mr. PRICE of North Carolina, Mr. RAHALL, Mr. ROSE, Mr. SAVAGE, Mr. SIKORSKI, Mr. SOLOMON, Mr. SPENCE, Mr. SPRATT, Mr. STUMP, Mr. SYNAR, Mr. TAUZIN, Mr. WAXMAN, Mr. WELDON, and Mr. WHITTAKER.

H.J. Res. 574: Mr. LAGOMARSINO, Mr. MATSUI, and Mrs. VUCANOVICH.

H.J. Res. 576: Mr. BARTLETT, Mr. BATES, Mr. BOSCO, Mr. BURTON of Indiana, Mr. CARPER, Mr. CHAPPELL, Mr. COLEMAN of Texas, Mr. CONTE, Mr. DEWINE, Mr. DIOGUARDI, Mr. DONNELLY, Mr. FASCELL, Mr. FIELDS, Mr. FOGLIETTA, Mr. LOWRY of Washington, Mr. MCCOLLUM, Mrs. MEYERS of Kansas, Ms. SLAUGHTER of New York, Mr. DENNY SMITH, and Mr. WORTLEY.

H.J. Res. 580: Mr. TAUZIN, Mr. CARDIN, Mr. MCCOLLUM, Mr. CLARKE, Mr. PRICE of North Carolina, Mr. PEPPER, Mr. ROWLAND of Connecticut, Mr. CLAY, Mr. NICHOLS, Mr. LEHMAN of Florida, Mr. RAY, Mr. HATCHER, Mr. JONES of North Carolina, Mr. DERRICK, Mr. HAYES of Louisiana, Mr. DOWDY, Mr. ROWLAND of Georgia, and Mr. COBLE.

H.J. Res. 597: Mr. SIKORSKI, Mr. OWENS of Utah, Mr. SWIFT, and Mr. MRAZEK.

H.J. Res. 598: Mr. LAFALCE, Mr. HEFNER, Mr. BONKER, Mr. COUGHLIN, Mr. CARDIN, Mr. DORNAN of California, Mr. GORDON, Mr. JONES of Tennessee, Mr. FAUNTROY, Mr. FRENZEL, Mr. DIXON, Mr. DE LA GARZA, Mr. KLECZKA, Mr. DYMALLY, and Mr. LANTOS.

H.J. Res. 603: Mr. LEHMAN of Florida, Mr. YOUNG of Alaska, Mr. PACKARD, Mr. LUNGREN, Mr. HYDE, Mr. LANTOS, Mr. FAWELL, Mr. BOLAND, Mr. QUILLEN, Mr. DAUB, Mr. HANSEN, Mr. FOLEY, Mr. HOLLOWAY, Ms. KAPTUR, Mrs. COLLINS, Mr. TRAXLER, Mr. LEWIS of California, Mr. MURPHY, Mr. SPENCE, Mr. MFUME, Mr. FORD of Tennessee, Mrs. LLOYD, Mr. LEVIN of Michigan, and Mr. TRAFICANT.

H.J. Res. 604: Mr. BENNETT, Mrs. BENTLEY, Mr. BEVILL, Mr. BLAZ, Mr. BROOMFIELD, Mr. CALLAHAN, Mr. CAMPBELL, Mr. CLEMENT, Mrs. COLLINS, Mr. DAVIS of Illinois, Mr. DIOGUARDI, Mr. DORGAN of North Dakota, Mr. DYMALLY, Mr. EMERSON, Mr. EVANS, Mr. FAWELL, Mr. FLIPPO, Mr. FOGLIETTA, Mr. FROST, Mr. GALLO, Mr. GILMAN, Mr. GRAY of Illinois, Mr. GUNDERSON, Mr. HAMILTON, Mr. HOPKINS, Mr. HORTON, Mr. KOSTMAYER, Mr. LEHMAN of Florida, Mrs. LLOYD, Mr. LOWRY of Washington, Mr. THOMAS A. LUKEN, Mr. MACK, Mr. MADIGAN, Mr. MCCLOSKEY, Mr. MCEWEN, Mr. NIELSON of Utah, Ms. OAKAR, Mr. OWENS of Utah, Mr. PURSELL, Mr. RICHARDSON, Mr. ROE, Mrs. ROUKEMA, Mr. ROWLAND of Georgia, Mr. SCHUETTE, Mr. DENNY SMITH, Mr. SPENCE, Mr. SPRATT, Mr. TALLON, Mr. TAUKE, Mr. TOWNS, Mr. TRAFICANT, Mr. TRAXLER, Mr. VALENTINE, Mr. WEISS, Mr. WORTLEY, Mr. YOUNG of Alaska, Mr. BROWN of Colorado, Mr. BUNNING, Mr. CARPER, Mr. COURTER, Mr. DARDEN, Mr. DE LA GARZA, Mr. HOYER, Mr. HUGHES, Mrs. KENNELLY, Mr. LANCASTER, Mr. MARTIN of New York, Mr. RINALDO, Mr. ROBINSON, Mr. ROWLAND of Connecticut, Mr. SAXTON, Ms. SLAUGHTER of New York, Mr. ROBERT F. SMITH of Oregon, Mr. SUNDQUIST, Mr. VOLKMER, Mr. CHENEY, Mr. DYSON, Mr. FAZIO, Mr. FIELDS, Mr. HOLLOWAY, Mr. JOHNSON of South Dakota, Mr. JONTZ, Mr. KOLBE, Mr. LUNGREN, Mrs. MARTIN of Illinois, Mrs. MEYERS of Kansas, Mr. MCGRATH, Mr. MINETA, Mr. RAY, Mr. SOLOMON, Mr. TAUZIN, Mr. UPTON, Mr. WOLF, and Mr. YATRON.

H. Con. Res. 258: Mr. JENKINS, Mr. TAUZIN, Mr. ESPY, Mr. INHOFE, Ms. OAKAR, Mr. FRENZEL, Mr. SWINDALL, and Mr. HAYES of Illinois.

H. Con. Res. 263: Mr. BILIRAKIS.

H. Con. Res. 305: Mr. ATKINS, Mr. CHANDLER, and Mr. LEWIS of Florida.

H. Con. Res. 326: Mr. FAWELL, Mr. BATEMAN, and Mr. MAVROULES.

H. Res. 462: Mr. PETRI, Mrs. VUCANOVICH, and Mrs. JOHNSON of Connecticut.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

222. By the SPEAKER: Petition of Ronald C. Olson, Maricopa County, AZ, relative to a notice of joinder; to the Committee on the Judiciary.

223. Also, petition of Dennis D. Edwards, Baker, LA, relative to a complaint affidavit; to the Committee on the Judiciary.

224. Also, petition of Donald and Dellann Boland, Savannah, GA, relative to a request for acceptance of case and review En Banc, Supreme Court of the United States; to the Committee on the Judiciary.

## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4526

Amendments to the committee amendment in the nature of a substitute.

By Mr. MARLENEE:

—On Page 4, line 23, after "made." insert the following: "Whether the value of just compensation is determined by negotiation between the parties or by the court, within three days of the date of enactment of these amendments the Secretary shall post a bond or place a cash deposit with the court, or offer such bond or cash deposit directly to the owners of the property taken pursuant to this paragraph, equal to the Secretary's estimate of the fair market value of the property taken. The property owners shall be permitted to accept such bond or cash deposit without prejudice to a claim that it inadequately reflects the fair market value of the property taken and shall be permitted to continue negotiations with the Secretary or to file an action in court seeking additional compensation.".

—On Page 4, line 23, after "made." insert the following: "Such payment shall include interest on the value of such property which shall be determined in accordance with 40 U.S.C. 258(e)-1.".

—Page 4, immediately before line 24, insert the following new paragraph 2(B)(1).

"The compensation to the property owners paid pursuant to this paragraph shall include the costs incurred by the property owner in removing from the Addition any equipment or other property title to which is not transferred hereby.".

—Page 4, immediately before line 24, insert the following new paragraph 2(B)(1).

"Should the value of just compensation be determined by judicial proceeding, the compensation to the property owners shall include provision for attorneys' fees in such proceedings as determined valuation to be reasonable by the court adjudicating the compensation issue.".

—Page 4, immediately before line 24, insert the following new paragraph 2(B)(2).

"Should the value of just compensation be determined by judicial proceeding, the compensation to the property owners shall include provision for attorneys' fees in such proceedings as determined valuation to be reasonable by the court adjudicating the compensation issue.".

—Page 4, immediately before line 24, insert the following new paragraph 2(B)(3):

"The compensation to the property owners paid pursuant to this paragraph shall include the costs incurred by the property owner in removing from the Addition any equipment or other property title to which is not transferred hereby.".

—Page 4, immediately before line 24, insert the following new paragraph 2(B)(2):

"The compensation to the property owners paid pursuant to this paragraph shall include the costs incurred by the property owner in removing from the Addition any equipment or other property title to which is not transferred hereby.".

—Page 4, immediately before line 24, insert the following new paragraph 2(B)(1):

"The compensation to the property owners paid pursuant to this paragraph shall include the costs incurred by the property owner in removing from the Addition any equipment or other property title to which is not transferred hereby.".

—Page 5, line 3 strike "court of competent jurisdiction" and insert in lieu thereof the following: "the federal district court for the eastern district of Virginia".

—Page 5, line 5 after the period insert the following: "At least one month prior to initiating such judicial proceeding, and not later than nine months after enactment, the Secretary shall offer the property owner the option of entering into binding arbitration before a mutually agreed upon third party to determine the just compensation with respect to the taking of such property, and if the property owner agrees within two weeks of the date of such offer the Secretary shall enter into such binding arbitration.".

—Page 4, line 14, after "judgement." insert the following: "The Secretary shall reserve funds adequate to satisfy the costs of the estimated judgement from appropriated "Land and Water Conservation Fund" monies and the payment shall have priority over all other uses of the fund until the obligations under this Act are satisfied in full.".

—Page 6, line 9, change "Secretary of the Interior" to "Secretary of Transportation".

—Page 6, strike lines 9 and 10 and insert "(a) Study—The Secretary of Transportation (hereinafter referred to in paragraphs (a) and (b) of this section as the 'Secretary', in consultation", and change "Secretary" to "Secretary of the Interior" in paragraphs (c) and (d) wherever the word "Secretary" appears in lines 16 and 17.

—Page 7, after line 21, add the following new paragraph:

"(e) The Government of the United States shall reimburse Prince William County, Virginia for all public improvements proffered by the landowner would have been required to make to the County if the above property were developed in accordance with the approved rezoning. These reimbursements shall equal the value of: the proffered recreation complex and swimming pool; water and sewer easements; right-of-way for the Route 234 Bypass north of I-66; two new road lands on Route 29 between existing Route 234 and Pageland Lane; a new northbound lane on Route 29; improvement of Groveton Road between William Center Boulevard and Ball's Ford Road; $2.25 million for the design and construction of the Route 234 Bypass interchange with I-66 (or other improvements as noted in the rezoning); $150,000 for school site acquisition; $1,800 for geodetic monumentation; five acres of land for a fire station and commuter parking lot; and any other contractual commitments to the County by the landowner.".

—Page 7, after line 21, insert the following new section:

"SEC. 5. SEQUESTRATION AND CERTAIN REDUCTION IN OUTLAYS.

"If the order issued under section 252(b) of the Deficit Control Act of 1985 for fiscal year 1989 states that the deficit reduction target will not be met, the funds for the legislative taking provided for in Section 2 shall come out of existing appropriations within the jurisdiction of the Secretary of the Interior.".